

## **Peckham & Rye Limited**

Report and Financial Statements

Year Ended

31 July 2009

Company Number SC82175

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# **Peckham & Rye Limited**

**Report and financial statements  
for the year ended 31 July 2009**

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## **Directors**

A. Johnston  
S. McFarlane  
A.M. Livingstone

## **Secretary and registered office**

A. Johnston, 18 Bogmoor Place, Glasgow, G51 4TQ

## **Company number**

SC82175

## **Auditors**

BDO LLP, 4 Atlantic Quay, 70 York Street, Glasgow, G2 8JX

## **Bankers**

The Royal Bank of Scotland plc, 1 Moncrieff Street, Paisley, PA3 2AW

## **Solicitors**

Levy & McRae, 266 St. Vincent Street, Glasgow, G2 5RL

# **Peckham & Rye Limited**

## **Report of the directors for the year ended 31 July 2009**

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The directors present their report together with the audited financial statements for the year ended 31 July 2009.

### **Results and dividends**

The profit and loss account is set out on page 5 and shows the profit for the year.

### **Principal activities, review of business and future developments**

The company's principal activities are the sale of wines, beers, spirits, food and soft drinks by wholesale and through retail outlets and the operation of restaurants and catering facilities.

During this financial year we have invested heavily in the refurbishment of Glassford Street, our flag ship store. We have also successfully expanded into the North East with two new branches in Aberdeen. This expansion together with the further additional branches opening in 2010 will help create the critical mass necessary. Further investment into our distribution and central production facility has created the platform necessary for the changing focus towards a greater percentage of our own branded fresh produce to a wider trading base.

Since the balance sheet date we have experienced the change to the licensing law on 1 September 2009 which affected sales as budgeted, however the changing focus of the company and rationalising of central costs will more than compensate for lost revenue.

We are also due to open our largest branch with a sixty cover restaurant in May 2010, which we are very excited about.

There have been no events since the year end which materially affect the position of the company.

### **Principal risks and uncertainties**

We are seeking ways to expand the business further to create the economies of scale necessary to improve the company's profitability. Our brand name is still highly regarded and customers remain loyal to our offering.

### **Directors**

The directors of the company during the year were:

A. Johnston  
S. McFarlane  
A.M. Livingstone

# Peckham & Rye Limited

## Report of the directors for the year ended 31 July 2009 (*continued*)

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### Directors' responsibilities

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 accounting estimates that are reasonable and prudent;
- 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 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.

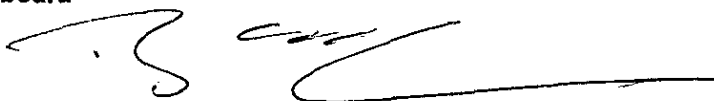
### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

### On behalf of the board

A Johnston



Director

29 April 2010

# **Peckham & Rye Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF PECKHAM & RYE LIMITED**

We have audited the financial statements of Peckham & Rye Limited for the year ended 31 July 2009 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 auditors**

As explained more fully in the statement of directors' responsibilities, 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 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

### **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 31 July 2009 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.

### **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.

# Peckham & Rye Limited

## Independent auditor's report (*continued*)

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### 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.

*BDO LLP*

Neil Craig (*senior statutory auditor*)  
For and on behalf of BDO LLP, statutory auditor  
Glasgow  
United Kingdom

29 April 2010

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Peckham & Rye Limited

## Profit and loss account for the year ended 31 July 2009

	Note	2009 £	2008 £
Turnover	2	8,791,538	9,235,910
Cost of sales		5,574,723	6,064,392
<b>Gross profit</b>		<b>3,216,815</b>	<b>3,171,518</b>
Administrative expenses		3,260,358	3,372,281
		(43,543)	(200,763)
Other operating income		108,845	73,010
<b>Operating profit/(loss)</b>	3	<b>65,302</b>	<b>(127,753)</b>
Profit on disposal of fixed assets		-	659,027
<b>Profit on ordinary activities before interest and other income</b>		<b>65,302</b>	<b>531,274</b>
Other interest receivable and similar income		15,000	10,000
Interest payable and similar charges	6	(15,157)	(50,371)
<b>Profit on ordinary activities before taxation</b>		<b>65,145</b>	<b>490,903</b>
Taxation on profit on ordinary activities	7	10,426	3,482
<b>Profit on ordinary activities after taxation</b>		<b>54,719</b>	<b>487,421</b>

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the profit and loss account.

There are no movements in shareholders' funds in the current or prior year apart from the profit for the year.

The notes on pages 7 to 16 form part of these financial statements.

# Peckham & Rye Limited

## Balance sheet at 31 July 2009

<i>Company number SC82175</i>	Note	2009 £	2009 £	2008 £	2008 £
<b>Fixed assets</b>					
Tangible assets	8		1,343,432		962,941
Fixed asset investments	9		5,000		5,000
			<u>1,348,432</u>		<u>967,941</u>
<b>Current assets</b>					
Stocks	10	835,169		584,693	
Debtors	11	1,731,000		2,864,713	
Cash at bank and in hand		20,965		9,530	
		<u>2,587,134</u>		<u>3,458,936</u>	
<b>Creditors: amounts falling due within one year</b>	12	1,781,115		2,035,327	
		<u></u>		<u></u>	
<b>Net current assets</b>			806,019		1,423,609
			<u></u>		<u></u>
<b>Total assets less current liabilities</b>			2,154,451		2,391,550
			<u></u>		<u></u>
<b>Creditors: amounts falling due after more than one year</b>	13	44,552		337,446	
<b>Provisions for liabilities</b>	14	86,260		85,184	
		<u></u>		<u></u>	
			130,812		422,630
			<u></u>		<u></u>
			2,023,639		1,968,920
			<u></u>		<u></u>
<b>Capital and reserves</b>					
Called up share capital	15		10,000		10,000
Capital redemption reserve	16		50,000		50,000
Profit and loss account	16		1,963,639		1,908,920
			<u></u>		<u></u>
<b>Shareholders' funds</b>			2,023,639		1,968,920
			<u></u>		<u></u>

The financial statements were approved by the board of directors and authorised for issue on 29 April 2010.

  
A Johnston  
Director

The notes on pages 7 to 16 form part of these financial statements.

# Peckham & Rye Limited

## Notes forming part of the financial statements for the year ended 31 July 2009

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### 1 Accounting policies

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

The following principal accounting policies have been applied:

#### *Cash flow statement*

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Peckham's Scotland Limited and the company is included in consolidated financial statements.

#### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Turnover is recognised when the risks and rewards of owning the goods have passed to the customer.

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, over their expected useful lives. It is calculated at the following rates:

Tenant's improvements	- 4% straight line (or over length of lease)
Motor vehicles	- 25% reducing balance
Fittings and equipment	- 10% straight line
Computer equipment	- 20% straight line

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

# Peckham & Rye Limited

## Notes forming part of the financial statements for the year ended 31 July 2009 (continued)

### 1 Accounting policies (continued)

#### Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

### 2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises solely within the United Kingdom.

### 3 Operating profit/(loss)

	2009 £	2008 £
This is arrived at after charging:		
Depreciation of tangible fixed assets	120,054	166,483
Audit services	18,000	11,000
Non-audit services	9,202	6,991
Hire of land and buildings - operating leases	302,314	307,725

Depreciation includes £7,010 (2008 - £6,671) charged on assets held under hire purchase contracts.

# Peckham & Rye Limited

Notes forming part of the financial statements  
for the year ended 31 July 2009 (continued)

## 4 Employees

Staff costs (including directors) consist of:

	2009 £	2008 £
Wages and salaries	1,858,882	1,870,366
Social security costs	133,120	130,126
	<u>1,992,002</u>	<u>2,000,492</u>

The average number of employees (including directors) during the year was as follows:

	2009 Number	2008 Number
Administration and distribution - full time	26	26
Shop and sales assistants - full time	58	59
Shop and sales assistants - part time	87	87
Administration and distribution - part time	6	6
	<u>177</u>	<u>178</u>

## 5 Directors' remuneration

	2009 £	2008 £
Directors' emoluments	95,788	103,894
	<u>95,788</u>	<u>103,894</u>

## 6 Interest payable and similar charges

	2009 £	2008 £
Bank loans and overdraft	9,337	47,454
Hire purchase contracts	5,820	2,917
	<u>15,157</u>	<u>50,371</u>

# Peckham & Rye Limited

Notes forming part of the financial statements  
for the year ended 31 July 2009 (*continued*)

## 7 Taxation on profit on ordinary activities

	2009 £	2008 £
<i>UK Corporation tax</i>		
Current tax on profits of the year	3,200	-
Adjustment in respect of previous periods	6,150	1,310
	<hr/>	<hr/>
Total current tax	9,350	1,310
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	1,076	(3,825)
Adjustment in respect of previous periods	-	5,997
	<hr/>	<hr/>
Movement in deferred tax provision	1,076	2,172
	<hr/>	<hr/>
Taxation on profit on ordinary activities	10,426	3,482
	<hr/>	<hr/>

The tax assessed for the year is lower than the applicable rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	2009 £	2008 £
Profit on ordinary activities before tax	65,145	490,903
	<hr/>	<hr/>
Profit on ordinary activities at the applicable rate of corporation tax in the UK of 21.00% (2008 - 29.33%)	13,680	143,982
Effect of:		
Expenses / (income) not deductible / (not taxable) for tax purposes	7,480	(192,156)
Fixed asset timing differences	(17,476)	23,923
Adjustment to tax charge in respect of previous periods	6,150	1,310
Tax losses carried forward	-	24,251
Group relief received for no consideration	(484)	-
	<hr/>	<hr/>
Current tax charge for the year	9,350	1,310
	<hr/>	<hr/>

As at 31 July 2009 there are trade losses available for carry forward amounting to £92,272 (2008 - £92,272) and capital losses available amounting to £19,244 (2008 - £19,244).

# Peckham & Rye Limited

Notes forming part of the financial statements  
for the year ended 31 July 2009 (*continued*)

## 8 Tangible fixed assets

	Tenants' improvements £	Fittings and equipment £	Motor vehicles £	Computer equipment £	Total £
<i>Cost</i>					
At 1 August 2008	762,826	1,160,985	152,932	108,850	2,185,593
Additions	131,834	346,066	17,295	5,350	500,545
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2009	<b>894,660</b>	<b>1,507,051</b>	<b>170,227</b>	<b>114,200</b>	<b>2,686,138</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
At 1 August 2008	183,627	825,485	110,966	102,574	1,222,652
Provided for the year	31,602	76,313	8,765	3,374	120,054
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2009	<b>215,229</b>	<b>901,798</b>	<b>119,731</b>	<b>105,948</b>	<b>1,342,706</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 July 2009	<b>679,431</b>	<b>605,253</b>	<b>50,496</b>	<b>8,252</b>	<b>1,343,432</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2008	579,199	335,500	41,966	6,276	962,941
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of, and depreciation charge for the year on, tangible fixed assets includes assets held under hire purchase contracts as follows:

	2009 £	2008 £
<i>Net book value</i>		
Motor vehicles	16,420	-
Fittings and equipment	112,311	55,454
	<hr/>	<hr/>
	<b>128,731</b>	<b>55,454</b>
	<hr/>	<hr/>
<i>Depreciation charged</i>		
Motor vehicles	875	-
Fittings and equipment	6,135	6,671
	<hr/>	<hr/>
	<b>7,010</b>	<b>6,671</b>
	<hr/>	<hr/>

# Peckham & Rye Limited

Notes forming part of the financial statements  
for the year ended 31 July 2009 (continued)

## 9 Fixed asset investments

	Other investments £
Cost	
At 1 August 2008 and 31 July 2009	5,000

## 10 Stocks

	2009 £	2008 £
Finished goods and goods for resale	835,169	584,693

There is no material difference between the replacement cost of stocks and the amounts stated above.

## 11 Debtors

	2009 £	2008 £
Amounts receivable within one year		
Trade debtors	77,713	90,742
Amounts owed by parent undertaking	821,619	1,657,796
Directors' loan accounts	-	38,771
Other debtors	757,445	936,326
Prepayments and accrued income	73,543	134,248
Corporation tax recoverable	680	5,317
	1,731,000	2,863,200
Amounts receivable after more than one year		
S419 tax recoverable	-	1,513
Total debtors	1,731,000	2,864,713

As at 31 July 2009, there was an amount owed by A Johnston, a director, to the company of £nil (2008 - £38,771). The maximum amount outstanding during the year was £38,771.

# Peckham & Rye Limited

Notes forming part of the financial statements  
for the year ended 31 July 2009 (continued)

## 12 Creditors: amounts falling due within one year

	2009 £	2008 £
Bank loans and overdrafts (secured)	271,860	772,232
Trade creditors	1,077,313	985,333
Corporation tax	3,200	-
Other taxation and social security	210,086	104,290
Obligations under hire purchase contracts	37,193	15,764
Accruals and deferred income	181,463	157,708
	<u>1,781,115</u>	<u>2,035,327</u>

## 13 Creditors: amounts falling due after more than one year

	2009 £	2008 £
Bank loans	-	330,131
Obligations under hire purchase contracts	44,552	7,315
	<u>44,552</u>	<u>337,446</u>

### Maturity of debt:

	Loans and overdrafts 2009 £	Loans and overdrafts 2008 £	Hire Purchase 2009 £	Hire Purchase 2008 £
In one year or less, or on demand	<u>271,860</u>	<u>772,232</u>	<u>37,193</u>	<u>15,764</u>
In more than one year but not more than two years	-	78,311	27,507	7,315
In more than two years but not more than five years	-	234,935	17,045	-
In more than five years	-	16,885	-	-
	<u>-</u>	<u>330,131</u>	<u>44,552</u>	<u>7,315</u>

Bank borrowings are secured by a bond and floating charge over the assets of the company.

Hire purchase obligations are secured on the assets being purchased.

# Peckham & Rye Limited

Notes forming part of the financial statements  
for the year ended 31 July 2009 (*continued*)

## 14 Provisions for liabilities

	Deferred taxation £
At 1 August 2008	85,184
Charged to profit and loss account	1,076
	<hr/>
At 31 July 2009	<b>86,260</b>
	<hr/>

### *Deferred taxation*

	2009 £	2008 £
Accelerated capital allowances	105,637	108,335
Losses	(19,377)	(23,151)
	<hr/>	<hr/>
	<b>86,260</b>	<b>85,184</b>
	<hr/>	<hr/>

## 15 Share capital

	2009 £	2008 £
<i>Allotted, called up and fully paid</i>		
10,000 ordinary shares of £1 each	<b>10,000</b>	<b>10,000</b>
	<hr/>	<hr/>

# Peckham & Rye Limited

Notes forming part of the financial statements  
for the year ended 31 July 2009 (*continued*)

## 16 Reserves

	Capital redemption reserve £	Profit and loss account £
At 1 August 2008	50,000	1,908,920
Profit for the year	-	54,719
	<hr/>	<hr/>
At 31 July 2009	<b>50,000</b>	<b>1,963,639</b>
	<hr/>	<hr/>

## 17 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings 2009 £	Land and buildings 2008 £
Operating leases which expire:		
After five years	<b>387,500</b>	334,500
	<hr/>	<hr/>

## 18 Capital commitments

	2009 £	2008 £
Contracted but not provided for	<b>20,000</b>	-
	<hr/>	<hr/>

# Peckham & Rye Limited

## Notes forming part of the financial statements for the year ended 31 July 2009 (continued)

### 19 Related party disclosures

#### *Related party transactions and balances*

During the year the company entered into the following transactions with:-

(i) T Stone Properties Limited, in which A. Johnston is a director and shareholder.

Payment of property rents of £89,550 (2008 - £89,550). Receipt of management charge of £55,000 (2008 - £50,000). Receipt of interest from T Stone Properties Limited of £15,000 (2008 - £10,000) in respect of the inter company loan balance. As at 31 July 2009, T Stone Properties Limited owed the company £276,223 (2008 - £395,776).

In addition, as at 31 July 2009, the company had made advance rent payments totalling £33,473 (2008 - £32,923).

T Stone Properties Limited has given the Royal Bank of Scotland a standard security over its investment properties and also a bond and floating charge over all its assets as security for the overdraft facility for Peckham & Rye Limited to the extent of £463,000.

(ii) Bonusshape Limited, in which A. Johnston is a director and shareholder.

Sale of goods of £298,761 (2008 - £582,246), purchase of goods £785,744 (2008 - £912,636). As at 31 July 2009, Bonusshape Limited owed the company £320,583 (2008 - £409,070).

(iii) Peckham's Scotland Limited, in which A. Johnston is a director and shareholder.

Peckham's Scotland Limited charged the company rent amounting to £nil (2008 - £9,167). As at 31 July 2009, Peckham's Scotland Limited owed the company the amount of £821,619 (2008 - £1,657,796).

Peckham's Scotland Limited has given the Royal Bank of Scotland a standard security over its investment properties and also a bond and floating charge over all of its assets as security for the overdraft facility of Peckham & Rye Limited to the extent of £193,000.

A director, A Johnston has given a personal guarantee in respect of the company's overdraft facility.

### 20 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of Peckham's Scotland Limited which is the ultimate parent company incorporated in Scotland

The largest and smallest group in which the results of the company are consolidated is that headed by Peckham's Scotland Limited, incorporated in Scotland. The consolidated accounts of this company are available to the public and may be obtained from Companies House. No other group accounts include the results of the company.