

**HENDERSON WHOLESALE
LIMITED**

FINANCIAL STATEMENTS

31 DECEMBER 2012

Company Registration Number NI000068

16 SEP 2013

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HENDERSON WHOLESALE LIMITED

Financial statements

Year ended 31 December 2012

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HENDERSON WHOLESALE LIMITED

Officers and professional advisers

The board of directors

M J Agnew
G W Agnew
A J Fitzsimmins
D A Logan
P McGarry
P J Doody
S H Davidson
W J R Whitten
N Kelly

Company secretary

W J R Whitten

Registered office

9 Hightown Avenue
Newtownabbey
Co. Antrim
BT36 4PP

Auditor

BDO Northern Ireland
Chartered Accountants
& Statutory Auditor
Lindsay House
10 Callender Street
Belfast
BT1 5BN

Bankers

Danske Bank
PO Box 183
Donegall Square West
Belfast
BT1 6JS

Solicitors

Hewitt & Gilpin
Thomas House
14-16 James Street South
Belfast
BT2 7GA

HENDERSON WHOLESALE LIMITED

The directors' report

Year ended 31 December 2012

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2012.

Principal activities and business review

The principal activity of the company is food wholesaling. The company holds the franchise for Spar, Vivo and VG in Northern Ireland and provides a marketing, advisory and distribution service to over 420 retailers.

During the year the main activities of the company remained unchanged and the directors anticipate that any future developments would relate to these activities.

The profit and loss for the period is set on page 7 and shows turnover for the year of £380,356,391 and profit on ordinary activities before taxation of £10,382,099. Turnover has increased by 4.6% as compared to 2011. The directors were particularly pleased with the continued like for like growth in all major categories of grocery sales in addition to recruitment of new customers during 2012.

The rate of increase of profit on ordinary activities before taxation was 3.1%. Despite the strong growth in turnover, this can be attributed to the strategic investment in gross margin by way of a strong promotional program and value driven customer proposition in response to changing consumer trends.

It is expected that the economic climate will not improve quickly, resulting in continued downward pressure on gross margin. The ongoing focus on operational efficiency will remain of vital importance for the foreseeable future.

There have been no events since the balance sheet date which materially affect the position of the company.

Principal risks and uncertainties

The grocery market remains highly competitive with the continued expansion of the major supermarket multiple chains throughout Northern Ireland as well as the direct competition from symbol group wholesalers within the convenience sector. The company seeks to maintain its competitive advantage by ensuring the highest levels of customer service in the sector, providing a strong support system to our supplied retailers, ensuring our collective buying power provides our retailers with a competitively priced convenience offer, developing our range of products and services and continuing to extract efficiencies in our methods of operation for our mutual benefit.

Results and dividends

The profit for the year, after taxation, amounted to £8,507,797. Particulars of dividends paid are detailed in note 9 to the financial statements.

Financial risk management objectives and policies

The company's operations expose it to a variety of financial risks that include the effects of changes in debt market prices, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

HENDERSON WHOLESALE LIMITED

The directors' report *(continued)*

Year ended 31 December 2012

Price risk

The company is exposed to some commodity price risk as a result of its operations. However, costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to individual customers is monitored regularly by the board.

Liquidity risk

The company actively maintains a mixture of long-term and short-term debt finance that is designed to ensure the company has sufficient available funds for operations and planned expansions. The company entered into a Callable swap agreement in 2008 on £10 million of its interest bearing liabilities to hedge against future interest rate movements.

Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities, both of which all bear interest at variable rates. The future cashflows of the company's operations are not sufficiently at risk due to interest rate changes to require funding at fixed rate. The appropriateness of this policy will be revisited should the company's operations change in size or nature.

Directors

The directors who served the company during the year were as follows:

M J Agnew
G W Agnew
A J Fitzsimmins
D A Logan
P McGarry
P J Doody
S H Davidson
W J R Whitten
N Kelly

The company is a wholly owned subsidiary and the interests of the group directors are disclosed in the financial statements of the parent company.

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 year.

HENDERSON WHOLESALE LIMITED**The directors' report** *(continued)***Year ended 31 December 2012**

In preparing those 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Disabled employees

The group maintains a policy of offering equal opportunity to disabled persons in recruitment, training and career development, having due regard to their aptitudes and abilities in relation to the jobs available.

Employee involvement

All employees are informed of plans and progress via regular briefing sessions where opportunity is provided for involvement of all in the group's decision making process.

Auditor

The auditors, BDO Northern Ireland have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Registered office:
9 Hightown Avenue
Newtownabbey
Co. Antrim
BT36 4PP

Signed by order of the directors



W J R Whitten
Company Secretary

Approved by the directors on 16 April 2013

HENDERSON WHOLESALE LIMITED

Independent auditor's report to the shareholders of Henderson Wholesale Limited

Year ended 31 December 2012

We have audited the financial statements of Henderson Wholesale Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, 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 shareholders, 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 shareholders 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 shareholders 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 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 and express an opinion on 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 website 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 31 December 2012 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 matters 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.

HENDERSON WHOLESALE LIMITED

Independent auditor's report to the shareholders of Henderson Wholesale Limited *(continued)*

Year ended 31 December 2012

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.



Nigel V W Harra, senior statutory auditor
For and on behalf of BDO Northern Ireland, statutory auditor
Lindsay House
10 Callender Street
Belfast
BT1 5BN

16 April 2013

HENDERSON WHOLESALE LIMITED**Profit and loss account****Year ended 31 December 2012**

	Note	2012 £	2011 £
Turnover	2	380,356,391	363,536,240
Cost of sales		<u>346,083,692</u>	<u>330,719,183</u>
Gross profit		34,272,699	32,817,057
Distribution costs		16,214,696	15,699,493
Administrative expenses		11,608,974	10,084,211
Other operating income		(1,816,832)	(1,160,783)
Operating profit	3	8,265,861	8,194,136
Attributable to:			
Operating profit before exceptional items		8,265,861	8,530,712
Exceptional items	3	–	(336,576)
		<u>8,265,861</u>	<u>8,194,136</u>
Interest receivable and similar income	6	2,180,664	1,960,497
Interest payable and similar charges	7	(64,426)	(85,206)
Profit on ordinary activities before taxation		<u>10,382,099</u>	<u>10,069,427</u>
Tax on profit on ordinary activities	8	1,874,302	2,490,879
Profit for the financial year		<u>8,507,797</u>	<u>7,578,548</u>

All of the activities of the company are classed as continuing.

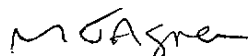
The company has no recognised gains or losses other than the results for the year as set out above.

HENDERSON WHOLESALE LIMITED**Balance sheet****31 December 2012**

	Note	2012		2011	
		£	£	£	£
Fixed assets					
Intangible assets	10		6,092,834		6,544,541
Tangible assets	11		3,720,520		3,358,611
Investments	12		60,004		60,004
			<u>9,873,358</u>		<u>9,963,156</u>
Current assets					
Stocks	13	11,718,578		10,833,804	
Debtors due within one year	14	24,015,264		24,629,270	
Debtors due after one year	14	62,756,171		59,063,535	
Cash at bank and in hand		17,623,878		10,003,000	
		<u>116,113,891</u>		<u>104,529,609</u>	
Creditors: Amounts falling due within one year	16	<u>57,402,531</u>		<u>54,332,731</u>	
Net current assets			<u>58,711,360</u>		<u>50,196,878</u>
Total assets less current liabilities			<u>68,584,718</u>		<u>60,160,034</u>
Creditors: Amounts falling due after more than one year	17		–		18,113
			<u>68,584,718</u>		<u>60,141,921</u>
Capital and reserves					
Called-up equity share capital	24		119,352		119,352
Other reserves	25		17,522		17,522
Profit and loss account	26		68,447,844		60,005,047
Shareholders' funds	27		<u>68,584,718</u>		<u>60,141,921</u>

These financial statements were approved by the directors and authorised for issue on 16 April 2013 and are signed on their behalf by:

M J Agnew



Company Registration Number: NI000068

HENDERSON WHOLESALE LIMITED

Notes to the financial statements

Year ended 31 December 2012

1. Accounting policies

Basis of accounting

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

Consolidated financial statements have not been prepared under the exemption available in Financial Reporting Standard No 2 "Accounting for Subsidiary Undertakings" on the basis that results of the company and its subsidiaries are consolidated in the accounts of the parent company John Henderson (Holdings) Limited which are publicly available.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

Turnover represents sales to external customers at invoiced amounts, exclusive of value added tax. Turnover is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery.

Goodwill

Goodwill arising on an acquisition is the difference between the fair value of the assets and liabilities acquired. It is capitalised and amortised through the profit and loss account over the directors' estimate of its useful economic life. Impairment tests on the carrying value of goodwill are undertaken;

- At the end of the first full financial year following acquisition; and
- In other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Amortisation	- 2 - 15 years
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HENDERSON WHOLESALE LIMITED**Notes to the financial statements****Year ended 31 December 2012**

1. Accounting policies (continued)**Fixed assets**

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and Machinery	- 10% - 20%
Fixtures and Fittings	- 10% - 20%
Motor Vehicles	- 20%

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

Pension costs

Contributions to the company's defined contribution scheme are charged to the profit and loss account in the year in which they become payable.

HENDERSON WHOLESALE LIMITED

Notes to the financial statements

Year ended 31 December 2012

1. Accounting policies *(continued)*

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:

- deferred tax is not recognised on timing differences arising on revalued properties unless the company has entered into a binding sale agreement and is not proposing to take advantage of rollover relief; and
- the recognition of deferred tax assets is limited to the extent that the company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances arising from underlying timing differences in respect of tax allowances on industrial buildings are reversed if and when all conditions for retaining those allowances have been met.

Deferred tax balances are not discounted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Net investments in finance leases and hiring agreements

Assets leased to third parties in respect of finance leases and similar hiring agreements are included in the financial statements as debtors at the amount of the net investment in the respective agreements. Income from finance leasing charges and similar hiring agreements is allocated to accounting periods over the term of the respective lease so as to produce a constant periodic rate of return on the net investment in each period.

HENDERSON WHOLESALE LIMITED**Notes to the financial statements****Year ended 31 December 2012****2. Turnover**

No analysis of turnover and attributable pre-tax profit by class of business or geographical segment has been disclosed in the financial statements as, in the opinion of the directors, such disclosure would be prejudicial to the interests of the company.

3. Operating profit

Operating profit is stated after charging/(crediting):

	2012	2011
	£	£
Amortisation of intangible assets	1,140,005	1,000,237
Depreciation of owned fixed assets	1,362,256	1,216,154
Depreciation of assets held under finance lease agreements	69,975	108,018
Loss on disposal of fixed assets	166,824	82,660
Auditor's remuneration		
- as auditor	33,305	33,252
Operating lease costs:		
- Other	753,959	821,221
Net loss/(profit) on foreign currency translation	10,221	(17,451)
Exceptional items - intercompany debt forgiven	-	336,576
	<u> </u>	<u> </u>

4. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2012	2011
	No	No
Number of wholesale and distribution staff	404	375
Number of management staff	32	33
	<u> </u>	<u> </u>
	436	408

The aggregate payroll costs of the above were:

	2012	2011
	£	£
Wages and salaries	13,562,797	12,789,028
Social security costs	1,379,751	1,336,723
Other pension costs	569,330	561,106
	<u> </u>	<u> </u>
	15,511,878	14,686,857

HENDERSON WHOLESALE LIMITED**Notes to the financial statements****Year ended 31 December 2012****5. Directors' remuneration**

The directors' aggregate remuneration in respect of qualifying services were:

	2012	2011
	£	£
Remuneration receivable	1,417,409	1,220,480
Value of company pension contributions to money purchase schemes	102,143	89,839
	<u>1,519,552</u>	<u>1,310,319</u>

Remuneration of highest paid director:

	2012	2011
	£	£
Total remuneration (excluding pension contributions)	<u>228,373</u>	<u>217,709</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2012	2011
	No	No
Money purchase schemes	<u>7</u>	<u>7</u>

6. Interest receivable and similar income

	2012	2011
	£	£
Bank interest receivable	49,299	19,996
Interest from group undertakings	1,569,940	1,387,745
Other similar income receivable	561,425	552,756
	<u>2,180,664</u>	<u>1,960,497</u>

7. Interest payable and similar charges

	2012	2011
	£	£
Finance charges	10,856	19,180
Other similar charges payable	53,570	66,026
	<u>64,426</u>	<u>85,206</u>

HENDERSON WHOLESALE LIMITED**Notes to the financial statements****Year ended 31 December 2012****8. Taxation on ordinary activities****(a) Analysis of charge in the year**

	2012		2011	
	£	£	£	£
Current tax:				
In respect of the year:				
UK Corporation tax based on the results for the year at 24.50% (2011 - 26.49%)		2,265,234		2,896,740
Over/under provision in prior year		(345,435)		(322,810)
Total current tax		<u>1,919,799</u>		<u>2,573,930</u>
Deferred tax:				
Origination and reversal of timing differences (note 15)				
Capital allowances	(65,965)		(62,921)	
Short term timing differences	<u>20,468</u>		<u>(20,130)</u>	
Total deferred tax (note 15)		<u>(45,497)</u>		<u>(83,051)</u>
Tax on profit on ordinary activities		<u>1,874,302</u>		<u>2,490,879</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 24.50% (2011 - 26.49%).

	2012	2011
	£	£
Profit on ordinary activities before taxation	<u>10,382,099</u>	<u>10,069,427</u>
Profit on ordinary activities by rate of tax	2,543,331	2,667,391
Expenses not allowable for taxation purposes	35,690	126,606
Excess/(deficit) of depreciation over capital allowances	81,391	71,757
Other timing differences	(11,957)	30,986
Surplus/(shortfall) - prior periods tax provisions	(345,435)	(322,810)
Non-taxable income	(383,221)	-
Total current tax (note 8(a))	<u>1,919,799</u>	<u>2,573,930</u>

HENDERSON WHOLESALE LIMITED

Notes to the financial statements

Year ended 31 December 2012

8. Taxation on ordinary activities *(continued)*

(c) Factors that may affect future tax charges

The UK Budget in 2012 announced that the UK corporation tax rate was to reduce to 21% over a period of three years from 2012. The first reduction in the UK corporation tax rate from 28% to 27% (effective from 1 April 2011) was substantively enacted in July 2010, and further reductions to 26% (effective from 1 April 2011) and 25% (effective from 1 April 2012) were substantively enacted in March 2011 and July 2011 respectively. The Finance Act 2012, which was substantively enacted on 17 July 2012, amended the main rate of corporation tax to 24% effective from 1 April 2012 and to 23% effective from 1 April 2013. This will reduce the group's future current tax charge accordingly. UK deferred tax balances have been calculated based on the rate of 23% substantively enacted at the reporting date.

9. Dividends

Equity dividends

	2012 £	2011 £
Paid during the year:		
Equity dividends on ordinary shares	<u>65,000</u>	<u>55,000</u>

10. Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2012	8,182,419
Additions	843,942
Disposals	(250,000)
At 31 December 2012	<u>8,776,361</u>
Amortisation	
At 1 January 2012	1,637,878
Charge for the year	1,140,005
On disposals	(94,356)
At 31 December 2012	<u>2,683,527</u>
Net book value	
At 31 December 2012	<u>6,092,834</u>
At 31 December 2011	<u>6,544,541</u>

Payments of goodwill are in respect of future trading activities and are being amortised over future periods accordingly.

HENDERSON WHOLESALE LIMITED**Notes to the financial statements****Year ended 31 December 2012****11. Tangible fixed assets**

	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Computer Equipment £	Total £
Cost					
At 1 January 2012	5,455,092	2,132,213	451,717	3,589,425	11,628,447
Additions	762,282	125,087	65,388	746,224	1,698,981
Disposals	(266,963)	(146,009)	(114,227)	(648,187)	(1,175,386)
Transfers	–	–	(78,900)	262,538	183,638
At 31 December 2012	<u><u>5,950,411</u></u>	<u><u>2,111,291</u></u>	<u><u>323,978</u></u>	<u><u>3,950,000</u></u>	<u><u>12,335,680</u></u>
Depreciation					
At 1 January 2012	3,892,053	1,494,082	316,937	2,566,764	8,269,836
Charge for the year	429,375	225,477	70,146	707,233	1,432,231
On disposals	(210,744)	(128,422)	(99,554)	(648,187)	(1,086,907)
Transfers	–	–	(74,816)	74,816	–
At 31 December 2012	<u><u>4,110,684</u></u>	<u><u>1,591,137</u></u>	<u><u>212,713</u></u>	<u><u>2,700,626</u></u>	<u><u>8,615,160</u></u>
Net book value					
At 31 December 2012	<u><u>1,839,727</u></u>	<u><u>520,154</u></u>	<u><u>111,265</u></u>	<u><u>1,249,374</u></u>	<u><u>3,720,520</u></u>
At 31 December 2011	<u><u>1,563,039</u></u>	<u><u>638,131</u></u>	<u><u>134,780</u></u>	<u><u>1,022,661</u></u>	<u><u>3,358,611</u></u>

Finance lease agreements

Included within the net book value of £3,720,520 is £37,817 (2011 - £107,792) relating to assets held under finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £69,975 (2011 - £108,018).

HENDERSON WHOLESALE LIMITED**Notes to the financial statements****Year ended 31 December 2012****12. Investments**

	Total £
Cost	
At 1 January 2012 and 31 December 2012	<u>80,004</u>
Amounts written off	
At 1 January 2012 and 31 December 2012	<u>20,000</u>
Net book value	
At 31 December 2012 and 31 December 2011	<u>60,004</u>

The unquoted investments are, in the opinion of the directors, worth at least the figure stated in the financial statements. Consolidated financial statements have not been prepared on the basis that results of the company and its subsidiaries are consolidated in the accounts of the ultimate parent company John Henderson (Holdings) Limited which are publicly available. The following companies were subsidiary undertakings at the end of the year.

Subsidiary undertakings

All held by the company:

	Country of incorporation	Proportion of voting rights and Holding shares held	Nature of business
John Henderson (Ireland) Limited	Republic of Ireland	Ordinary shares 100%	Food Distribution
Vivo Limited	N Ireland	Ordinary shares 100%	Dormant
Marketstall Services and Software Solutions Limited	N Ireland	Ordinary shares 100%	Sale of IT products

13. Stocks

	2012	2011
	£	£
Stock	<u>11,718,578</u>	<u>10,833,804</u>

The estimated replacement costs do not materially exceed the values shown in the financial statements.

HENDERSON WHOLESALE LIMITED**Notes to the financial statements****Year ended 31 December 2012****14. Debtors**

	2012	2011
	£	£
Trade debtors	19,830,479	18,868,487
Amounts owed by group undertakings	58,788,566	58,275,512
Amounts owed by related companies	15,091	6,166
Other debtors	421,602	279,008
Prepayments and accrued income	7,461,721	6,055,153
Deferred taxation (note 15)	253,976	208,479
	<u>86,771,435</u>	<u>83,692,805</u>

The debtors above include the following amounts falling due after more than one year:

	2012	2011
	£	£
Trade debtors	11,006,101	10,505,515
Amounts owed by group undertakings	51,750,070	48,558,020
	<u>62,756,171</u>	<u>59,063,535</u>

15. Deferred taxation

The deferred tax included in the Balance sheet is as follows:

	2012	2011
	£	£
Included in debtors (note 14)	<u>253,976</u>	<u>208,479</u>

The movement in the deferred taxation account during the year was:

	2012	2011
	£	£
Balance brought forward	208,479	125,428
Profit and loss account movement arising during the year	45,497	83,051
Balance carried forward	<u>253,976</u>	<u>208,479</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2012	2011
	£	£
Excess of depreciation over taxation allowances	203,438	137,473
Short term timing differences	50,538	71,006
	<u>253,976</u>	<u>208,479</u>

HENDERSON WHOLESALE LIMITED**Notes to the financial statements****Year ended 31 December 2012****16. Creditors: Amounts falling due within one year**

	2012		2011	
	£	£	£	£
Overdrafts		6,845,993		6,436,897
Trade creditors		30,965,093		30,682,827
Amounts owed to group undertakings		1,073,067		114,753
Other creditors including taxation and social security:				
Corporation tax	786,440		1,363,824	
PAYE and social security	368,083		348,093	
VAT	61,026		617,485	
Finance lease agreements	29,354		82,748	
Other creditors	981,725		1,063,557	
		<u>2,226,628</u>		<u>3,475,707</u>
Accruals and deferred income		16,291,750		13,622,547
		<u>57,402,531</u>		<u>54,332,731</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2012	2011
	£	£
Overdrafts	<u>6,845,993</u>	<u>6,436,897</u>

At the year end, Danske Bank hold the following as security for borrowings:

- (1) First floating charge by each of the group companies
- (2) Unlimited inter-company cross guarantee by the Henderson Group companies.
- (3) First and only legal mortgages over certain of Henderson Group's property assets to fully secure the bank facilities offered to John Henderson (Holdings) Limited and any of its subsidiaries.

17. Creditors: Amounts falling due after more than one year

	2012	2011
	£	£
Other creditors:		
Finance lease agreements	<u>—</u>	<u>18,113</u>

HENDERSON WHOLESALE LIMITED**Notes to the financial statements****Year ended 31 December 2012****18. Commitments under finance lease agreements**

Future commitments under finance lease agreements are as follows:

	2012	2011
	£	£
Amounts payable within 1 year	33,449	95,685
Amounts payable between 2 to 5 years	-	20,125
	<u>33,449</u>	<u>115,810</u>
Less interest and finance charges relating to future periods	(4,095)	(14,949)
	<u>29,354</u>	<u>100,861</u>
Finance lease agreements are analysed as follows:		
Current obligations	29,354	82,748
Non-current obligations	-	18,113
	<u>29,354</u>	<u>100,861</u>

19. Pensions

The company is a member of the John Henderson (Holdings) Limited group pension scheme. Details of the pension arrangements for the group are contained in the accounts of that company. Pensions contributions for the company are based on pension costs across the group as a whole.

20. Derivatives

The group's interest rate swap with the Danske Bank was taken out in October 2008 to hedge interest rate risk on the Bank of Ireland loan. During the prior year the Bank of Ireland Loan was transferred to the Danske Bank with the liability now included within Henderson Group Property Limited. The company does not enter into derivatives for speculative purposes.

At the year ended 31 December 2012 Henderson Wholesale Limited had an interest amount due to the Danske Bank of £84,097 (2011: £78,515), which was not paid until post year end.

21. Commitments under operating leases

At 31 December 2012 the company had annual commitments under non-cancellable operating leases as set out below.

	2012		2011	
	Land and buildings	Other Items	Land and buildings	Other Items
	£	£	£	£
Operating leases which expire:				
Within 1 year	-	140,595	-	128,619
Within 2 to 5 years	-	783,014	-	851,705
After more than 5 years	1,115,600	-	1,115,600	-
	<u>1,115,600</u>	<u>923,609</u>	<u>1,115,600</u>	<u>980,324</u>

HENDERSON WHOLESALE LIMITED

Notes to the financial statements

Year ended 31 December 2012

22. Contingencies

Henderson Wholesale Limited have given the Bank of Ireland and the First Trust Bank guarantees and indemnities for amounts totalling £377,939 (2011: £473,691) in respect of loans given by the banks to selected retailers.

Henderson Wholesale Limited has provided unlimited inter-company cross guarantee to Danske Bank to cover any borrowings in Henderson Retail Limited, Henderson Foodservice Limited, Henderson Group Property Limited, John Henderson (Holdings) Limited, John Henderson (Mallusk) Limited, The Streat Franchising Limited, Marketstall Services and Software Solutions Limited and Independent Catering Services Limited.

Due to the various factors that may impact on the above guarantees and indemnities it is not possible to quantify the amounts that could be involved or give any indication as to the timing of when a liability may arise.

23. Related party transactions

The company has taken advantage of the exemption contained in Financial Reporting Standard No 8 - "Related Party Disclosure" not to disclose any transactions with its parent undertakings, fellow subsidiary undertakings or the associated undertakings of any group company on the grounds that it is a 100% owned subsidiary and the consolidated accounts of John Henderson (Holdings) Limited, in which the company is included, are publicly available.

Two of the company's directors, M J Agnew and G W Agnew are also directors of Ardbarron Trust Limited.

Ardbarron Trust Limited made repayments to Henderson Wholesale Limited of £1,360,455 (2011: £14,668) in the year. Henderson Wholesale Limited made payments of £3,410,381 (2011: £1,496,166) on behalf of Ardbarron Trust Limited. The company made a charitable donation of £2,041,000 (2011: £1,490,000) to Ardbarron Trust Limited.

The balance with this related party is as follows:

	2012	2011
	£	£
Ardbarron Trust Limited	15,091	6,166
Total of above	<u>15,091</u>	<u>6,166</u>

HENDERSON WHOLESALE LIMITED

Notes to the financial statements

Year ended 31 December 2012

24. Share capital

Authorised share capital:

	2012	2011
	£	£
900,000 "A Ordinary" shares of £1 each	900,000	900,000
100,000 "B Ordinary" shares of £1 each	100,000	100,000
	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	2012		2011	
	No	£	No	£
39,238 "A Ordinary" shares of £1 each	39,238	39,238	39,238	39,238
80,114 "B Ordinary" shares of £1 each	80,114	80,114	80,114	80,114
	<u>119,352</u>	<u>119,352</u>	<u>119,352</u>	<u>119,352</u>

25. Other reserves

	2012	2011
	£	£
Capital redemption reserve	<u>17,522</u>	<u>17,522</u>

26. Profit and loss account

	2012	2011
	£	£
Balance brought forward	60,005,047	52,481,499
Profit for the financial year	8,507,797	7,578,548
Equity dividends	(65,000)	(55,000)
Balance carried forward	<u>68,447,844</u>	<u>60,005,047</u>

27. Reconciliation of movements in shareholders' funds

	2012	2011
	£	£
Profit for the financial year	8,507,797	7,578,548
Equity dividends	(65,000)	(55,000)
Net addition to shareholders' funds	8,442,797	7,523,548
Opening shareholders' funds	60,141,921	52,618,373
Closing shareholders' funds	<u>68,584,718</u>	<u>60,141,921</u>

HENDERSON WHOLESALE LIMITED

Notes to the financial statements

Year ended 31 December 2012

28. Ultimate parent company

The ultimate parent company of this company is John Henderson (Holdings) Limited which is incorporated in Northern Ireland.

The only group in which the results of the company are consolidated is that headed by John Henderson (Holdings) Limited. The consolidated accounts of this group are available to the public at:

Companies House
The Linenhall
32-38 Linenhall Street
Belfast