



*International
Exhibition Co-Operative
Wine Society Limited*

Financial Statements

FOR THE YEAR ENDED 26TH JANUARY 2024

Independent auditors' report to International Exhibition Co-operative Wine Society Limited

Report on the audit of the financial statements

Opinion

In our opinion, International Exhibition Co-operative Wine Society Limited's ("The Society's") financial statements (the "financial statements"):

- give a true and fair view of the state of The Society's affairs as at 26th January 2024 and of The Society's income and expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014.

The document 'Annual Review' (the 'Annual Report') contains both audited and unaudited information. We have audited the financial statements, which comprise only: the balance sheet as at 26th January 2024 and the Profit and Loss Account, Statement of Changes in Equity, Cash Flow Statement, and Memorandum of Appropriation for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of The Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 Society's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Committee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to The Society's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Committee with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Committee is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the Committee for the financial statements

As explained more fully in the Statement of the Committee's Responsibilities set out on page 29, the Committee is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Committee is also responsible for such internal control as they 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 Committee is responsible for assessing The Society'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 Committee either intends to liquidate The Society or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of The Society/industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with The Society's rules, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Co-operative and Community Benefit Societies Act 2014. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate accounting entries to manipulate financial results, and management bias in accounting estimates. Audit procedures performed included:

- Discussion with management and those charged with governance, including consideration of any known or suspected instances of non-compliance with laws and regulations and fraud.
- Evaluation of management's controls designed to prevent and detect irregularities.
- Identification and testing of high-risk journal entries, including those with unusual general ledger account combinations that enhance stock, as well as unusual words such as "fraud".
- Designing audit procedures to incorporate unpredictability around the nature, timing, or extent of our testing.
- Testing management's judgements and estimates and assessing whether these show indicators of management bias.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for The Society as a body in accordance with Section 87 (2) of the Co-operative and Community Benefit Societies Act 2014 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

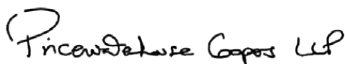
Other required reporting

Co-operative and Community Benefit Societies Act 2014 exception reporting

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

- a satisfactory system of control over The Society's transactions has not been maintained; or
- we have not received all the information and explanations we require for our audit; or
- proper books of account have not been kept by The Society; or
- The Society's financial statements are not in agreement with the books of account.

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford
8th May 2024

Profit and loss account

For the year ended 26th January 2024

	Notes	2023/24 £'000	2022/23 £'000
Gross Revenue	21	149,123	147,654
Less: Value Added Tax		(24,648)	(23,103)
Revenue	21	124,475	124,551
Cost of Sales		(98,513)	(99,387)
Gross Profit		25,962	25,164
Administrative expenses		(24,820)	(24,147)
Operating profit	2	1,142	1,017
Other income and charges	4	536	183
Movement in fair value of forward currency contracts	9	116	395
Profit on ordinary activities before taxation		1,794	1,595
Taxation	5	(132)	(35)
Profit after taxation		1,662	1,560
Other comprehensive expense			
Loss on defined benefit pension obligations	13c	-	(885)
Total comprehensive gain for the year attributable to the members		1,662	675

Memorandum of appropriation

		2023/24 £'000	2022/23 £'000
Profit after taxation		1,662	1,560
Amounts transferred to the Accumulated Profit Account and the Sales Discount Account during the period	16, 17	(711)	-
Retained profit		951	1,560

Balance Sheet

As at 26th January 2024

	Notes	2023/24 £'000	2022/23 £'000
Non-current assets			
Intangible assets	6	4,721	4,419
Plant, property and equipment	7	22,971	22,785
Current assets			
Inventories	8	48,132	50,381
Trade and other receivables	9	17,424	15,326
Cash and cash equivalents		15,448	11,637
		81,004	77,344
Current liabilities	10	(48,772)	(49,842)
Net current assets		32,232	27,502
Non-current liabilities	10	(6,803)	(3,750)
Total assets less liabilities excluding pension liability		53,121	50,956
Pension liability	13c	-	-
Net assets including pension liability		53,121	50,956
Capital and reserves			
Share capital	14	10,064	9,776
Share premium account	15	6,131	5,831
Accumulated Profit Account	16	14,891	14,794
Sales Discount Account	17	17,445	16,916
"A" shareholders reserve fund	14	12	12
Profit and loss account	18	4,578	3,627
Total shareholders' funds		53,121	50,956

The financial statements were approved and authorised for issue by the Committee on 20th March 2024 and signed on 8th May 2024 on its behalf by:

A Black, Chair

S Finlan, Chief Executive Officer

K Brown, Chair of the Finance and Risk Subcommittee

E Roskilly, Secretary

The accompanying accounting policies and notes on pages 10 to 28 form an integral part of these financial statements

Allan Black



Ken Brown

Emily Postkilly

Statement of changes in equity

For the year ended 26th January 2024

	Share Capital £'000	Share Premium Account £'000	Accumulated Profit Account £'000	Sales Discount Account £'000	Shareholders Reserve Fund £'000	"A" and Profit Account £'000	Total £'000
28th January 2022	9,506	5,547	14,829	16,972	12	2,952	49,818
Profit for the year	-	-	-	-	-	1,560	1,560
Experience gain less actuarial loss on defined pension obligations	-	-	-	-	-	(885)	(885)
Total comprehensive gain for the year	-	-	-	-	-	675	675
Issue of Share capital	284	-	-	-	-	-	284
Share premium additions to share capital	-	284	-	-	-	-	284
Cancellation of shares	(14)	-	(35)	(56)	-	-	(82)
27th January 2023	9,776	5,831	14,794	16,916	12	3,627	50,956
Profit for the year	-	-	124	587	-	951	1,662
Experience gain less actuarial loss on defined pension obligations	-	-	-	-	-	-	-
Total comprehensive gain for the year	-	-	124	587	-	951	1,662
Issue of Share capital	300	-	-	-	-	-	300
Share premium additions to share capital	-	300	-	-	-	-	300
Cancellation of shares	(12)	-	(27)	(58)	-	-	(97)
26th January 2024	10,064	6,131	14,891	17,445	12	4,578	53,121

Cash flow statement

For the year ended 26th January 2024

	<i>Notes</i>	2023/24	2022/23
		£'000	£'000
Profit before taxation		1,794	1,595
Depreciation, amortisation and loss on disposal of property, plant and equipment and intangible assets	6,7	2,177	1,786
Other income and charges	4	(536)	(183)
Gain on fair value of forward currency contracts	9	(116)	(395)
Additional employer contributions over amounts charged to profit and loss	13	-	(885)
Decrease in inventories	8	2,249	1,609
(Increase)/decrease in trade and other receivables	9	(1,982)	6,234
Increase/(decrease) in liabilities	10	1,886	(8,835)
Cash from operations		5,472	926
Corporation tax paid		(35)	(10)
Net cash from operating activities		5,437	916
Cash flows from investing activities			
Purchase of intangible assets	6	(1,250)	(1,838)
Purchase of plant, property and equipment	7	(1,415)	(12,374)
Interest received	4	536	171
Net cash from investing activities		(2,129)	(14,041)
Cash flows from financing activities			
Shares issued to new members	14-15	600	568
Shares cancelled	14-17	(97)	(105)
Net cash from financing activities		503	463
Net change in cash and cash equivalents		3,811	(12,662)
Cash and cash equivalents at start of year		11,637	24,299
Cash and cash equivalents at end of year		15,448	11,637

Notes to the financial statements

For the year ended 26th January 2024

1 Principle accounting policies

International Exhibition Co-operative Wine Society Limited was incorporated in England in 1874 and is registered under the Co-operative and Community Benefit Societies Act 2014. It is domiciled in England, no. 1824R. Its registered office is Gunnels Wood Road, Stevenage SG1 2BT. Its principal activity is the supply of wine, spirits and beverages to its members.

The financial reporting framework that has been applied is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 – ‘The Financial Reporting Standard Applicable in the United Kingdom and the Republic of Ireland’ (FRS 102). The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The Committee has reviewed the principal accounting policies summarised below and considers they are the most appropriate for The Society.

The financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

a) Gross Revenue

Gross revenue represents all sales to members and is inclusive of Customs and Excise duty and Value Added Tax and is recognised when the goods or services are supplied to members. In respect of members’ reserves, members are invoiced in advance and revenue is recognised as the service is provided.

b) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses where applicable. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use. Amortisation is provided on intangible assets at rates calculated to write off the cost less estimated residual value of each asset, on a straight-line basis, over its expected useful life, which is reviewed annually. Amortisation is provided on software costs at a rate of between 25 – 33%.

c) Plant Property and Equipment

Tangible assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses where applicable. Cost includes the original purchase price and costs directly attributable to bringing the asset to its working condition for its intended use.

Assets under construction are separately identified within the financial statements. This reflects ongoing investment in assets where the asset is not yet in use as the project is not yet complete at the date of financial reporting. When these assets are in use, they will be allocated to the specific asset class, at which point depreciation will start.

Notes to the financial statements

For the year ended 26th January 2024

1 Principle accounting policies *(continued)*

c) Plant Property and Equipment (continued)

Depreciation is provided on plant, property and equipment, apart from freehold land, at rates calculated to write off the cost less estimated residual value of each asset, on a straight-line basis, over its expected useful life, which is reviewed annually.

The rates used are as follows:

Property	2.5 – 10%
Plant and equipment	10 – 50%

d) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost comprises suppliers' invoice price and, where relevant, shipping cost and excise duty. Net realisable value is defined as the estimated selling price, net of further costs of marketing, selling and distribution.

e) Taxation

The financial statements are prepared on the basis that The Society carries on a mutual trade with its members for tax purposes. Any surplus arising from The Society's mutual trade with its Members is therefore not subject to UK corporation tax. This tax treatment is consistent with the Rules of The Society which make clear that its purpose is to carry on a mutual trade for the benefit of its Members.

The Society continues to be subject to UK corporation tax in respect of other income, including interest receivable.

f) Foreign currency translation

The individual financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the results and financial position are presented in Sterling (£). Transactions in currencies other than the functional currency (foreign currencies) are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss in the period in which they arise, and are recognised in the same line item in profit and loss as the balance or transaction to which they relate.

g) Pension arrangements

The Society operates both a defined contribution and a defined benefit pension scheme and accounts for these in accordance with FRS 102 Section 28 'Employee Benefits'.

Notes to the financial statements

For the year ended 26th January 2024

1 Principle accounting policies *(continued)*

g) Pension arrangements (continued)

Defined contribution scheme:

The cost of pension contributions is recognised within the profit and loss account in the year to which it relates.

Defined benefit scheme:

Scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit method and are discounted at appropriate high quality corporate bond rates. The net surplus, or deficit, is presented separately from other net assets on the balance sheet. A net surplus is recognised only to the extent that it is recoverable by The Society.

The current service cost is charged to the profit and loss account. Interest on the scheme liabilities and on scheme assets are included in other finance costs. Actuarial gains and losses, and the expected return on scheme assets, are reported in other comprehensive income. Retirement benefits other than pensions are accounted for in the same way.

h) Lease agreements

Operating lease rentals are charged to the profit and loss account as incurred.

For assets leased to third parties on operating leases, the lease rentals are taken to income on a straight line basis over the term of the lease, and where appropriate, the asset is depreciated using the straight line method.

i) Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Whilst The Society's share capital, accumulated profit, and sales discount accounts attributable to individual members is payable on demand to the member's estate on their death and thus contains debt characteristics, the overall incidence of such payments is sufficiently low and the amount of such payments is sufficiently small to regard the account balances as being substantially equity in nature.

Basic financial instruments

Trade and other receivables

Trade and other receivables are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment. For the purposes of The Society, there is no difference between the face value and fair value of Trade and other receivables.

Notes to the financial statements

For the year ended 26th January 2024

1 Principle accounting policies *(continued)*

i) Financial Instruments (continued)

Trade and other current liabilities

Trade and other current liabilities are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment. For the purposes of The Society, there is no difference between the face value and fair value of Trade and other liabilities.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short term deposits. Bank overdrafts that are repayable on demand and form an integral part of The Society's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Non-basic financial instruments

Financial assets and liabilities at fair value through profit and loss (FVTPL)

From time to time, The Society enters into derivative financial instruments, such as forward currency contracts, to manage its exposure to foreign exchange volatility. Under FRS102, these are classed as non-basic financial instruments.

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments fall into this category.

Derivatives are initially recognised at fair value at the date a derivative is entered into and are subsequently remeasured to their fair value at each balance sheet date. The fair value of financial instruments in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in the profit and loss account immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the profit and loss account depends on the nature of the hedge relationship. The Society does not apply hedge accounting to these financial instruments.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the profit and loss account are included within finance costs or finance income.

Derivatives are presented as current assets or liabilities unless The Society has an unconditional right to defer payment beyond twelve months. In such circumstances, a derivative is presented as a non-current asset or non-current liability. For the purposes of The Society, derivatives are classified as current assets or liabilities as there are no unconditional rights to defer the payment beyond twelve months.

Notes to the financial statements

For the year ended 26th January 2024

1 Principle accounting policies *(continued)*

j) Going Concern

Preparation of the financial statements requires management to make an assessment of the entity's ability to continue as a going concern. These financial statements have been prepared on a going concern basis.

The Society's forecasts and cashflow projections for the period of twelve months from the approval of the financial statements have been reviewed by the committee. Such forecasts and projections are based on assumptions made about member demand and The Society's ability to fulfil that demand, as well as both fixed and variable costs and non-trading cashflows. They also consider the potential impact in trading performance resulting from the macro-economic pressures. Having reviewed and applied relevant stress testing to the model, the Committee is comfortable that The Society is in a healthy financial position and is able to pay its liabilities as they fall due.

k) Exceptional items

Exceptional items are defined as those items that in management's judgement are items which derive from events or transactions that fall outside of the ordinary activities of The Wine Society. These are to be disclosed by virtue of their size or incidence.

l) Share Capital Policy

Shares in The Society are denominated as A and B shares with a nominal value of £20 each. Any premium paid on issue of a share is credited to the Share Premium Account. A and B shares carry the same rights and restrictions except on dissolution, as specified in Rules 75 and 78. Shares are not transferable and therefore cannot be traded but may be transmitted or paid out in accordance with Rule 55.

Each share in issue has amounts attaching to it in respect of sums declared since the issue of each share, as Accumulated Profit and Sales Discount.

m) Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Defined benefit scheme:

The measurement of obligations under defined benefit pension scheme arrangements is subject to a number of highly sensitive assumptions, details of which are given in note 13. Key judgements involved in the measurement of obligations include the discount rate applied to scheme liabilities, inflation assumptions, and life expectancy of scheme members. These judgements are discussed and agreed with independent, qualified actuaries who are involved in the calculation of the amounts to be included in the financial statements in respect of FRS102 Section 28 'Employee Benefits'.

Notes to the financial statements

For the year ended 26th January 2024

2 Operating profit

Operating profit is stated after charging:	2023/24	2022/23
	£'000	£'000
Depreciation, amortisation and loss on disposal of property, plant and equipment and intangible assets	2,177	1,786
Committee's remuneration		
- Chair and Deputy Chair	64	60
- Other Committee members	58	59
Auditors' remuneration		
- audit services	79	73
- other services	24	24
Defined contribution pension costs (note 13a)	866	848

Other services supplied by the auditors related to taxation advice, accountancy advice and pension scheme audit. Average number of Committee members in the year was 9 (2022/23 - 9).

3 Employees

	2023/24	2022/23
	Number	Number
The average number of full time equivalent employees during the year was:	266	272
	2023/24	2022/23
	£'000	£'000
Staff costs during the year amounted to:		
Wages and salaries - administration	10,152	10,247
Wages and salaries - transport	748	505
Social security costs	1,044	1,069
Defined contribution pension costs (note 13a)	866	848
	12,810	12,669
Included in administrative expenses	11,992	12,139
Transport staff costs included in cost of sales	818	530
	12,810	12,669

Wages and salaries – administration excludes any payments to committee members. Committee's remuneration is disclosed in note 2. Total remuneration for key personnel (including Committee members) for 2023/24 was £1.6m (2022/23 £1.5m).

Notes to the financial statements

For the year ended 26th January 2024

4 Other income and charges

	2023/24	2022/23
	£'000	£'000
Rent receivable under operating leases	-	12
Bank interest receivable	536	171
	<u>536</u>	<u>183</u>

5 Taxation

The Society carries on a mutual trade with its members for tax purposes. Any surplus arising from mutual trade with members is therefore not subject to UK corporation tax. This treatment is consistent with the Rules.

	2023/24	2022/23
	£'000	£'000
Current tax on profits for the year	<u>132</u>	<u>35</u>

	2023/24	2022/23
	£'000	£'000
Profit before taxation	1,794	1,595
Retained profit before tax multiplied by the applicable rate of corporation tax in the UK of 24% (2022/23: 19%)	431	303
Effect of:		
Surplus from mutual trade not taxable	(299)	(268)
Total current taxation	<u>132</u>	<u>35</u>

Notes to the financial statements

For the year ended 26th January 2024

6 Intangible assets

	Computer software £'000	Assets under construction £'000	Total £'000
Cost			
27th January 2023	5,825	406	6,231
Additions	525	725	1,250
Transfers	11	-	11
Disposals	(44)	-	(44)
26th January 2024	6,317	1,131	7,448
Accumulated amortisation			
27th January 2023	1,812	-	1,812
Charge	942	-	942
Transfers	8	-	8
Disposals	(35)	-	(35)
26th January 2024	2,727	-	2,727
Net book value			
27th January 2023	4,013	406	4,419
26th January 2024	3,590	1,131	4,721

Assets under construction include costs in relation to a new enterprise resource planning ('ERP') system.

Notes to the financial statements

For the year ended 26th January 2024

7 Plant, property and equipment

	Property	Plant and Equipment	Total
Cost	£'000	£'000	£'000
27th January 2023	27,373	8,416	35,789
Additions	328	1,087	1,415
Transfers	-	(11)	(11)
Disposals	(4)	(107)	(111)
26th January 2024	27,697	9,385	37,082
Accumulated depreciation			
27th January 2023	6,597	6,407	13,004
Charge	695	516	1,211
Transfers	-	(8)	(8)
Disposals	(3)	(93)	(96)
26th January 2024	7,289	6,822	14,111
Net book value			
27th January 2023	20,776	2,009	22,785
26th January 2024	20,408	2,563	22,971

Freehold land and buildings include land at a cost of £2.42m (2022/23: £2.42m) which has not been depreciated.

8 Inventories

	2023/24 £'000	2022/23 £'000
Inventories consist of goods purchased for sale to members, held as follows:		
In bond and overseas	45,603	48,614
Duty paid	2,529	1,767
	48,132	50,381

Notes to the financial statements

For the year ended 26th January 2024

9 Trade and other receivables

	2023/24	2022/24
	£'000	£'000
Trade Debtors	142	122
Other receivables	245	239
Prepayments	16,803	14,847
Fair value of foreign exchange contracts	234	118
	<u>17,424</u>	<u>15,326</u>

10 Liabilities

	2023/24	2022/23
	£'000	£'000
Current:		
Payments received on account from members	2,273	2,348
Trade creditors	24,546	20,031
Corporation tax	132	35
Other taxes and social security	5,247	5,094
Other current liabilities	151	146
Accruals and deferred income	16,423	22,188
	<u>48,772</u>	<u>49,842</u>
	2023/24	2022/23
	£'000	£'000
Non-current:		
Accruals and deferred income	6,803	3,750
	<u>6,803</u>	<u>3,750</u>

Notes to the financial statements

For the year ended 26th January 2024

11 Financial Risk Management

The Society has exposure to a number of financial risks including:

Defined benefit pension scheme (note 13)

The Society operates a defined benefit pension scheme for the benefit of employees. A full actuarial valuation of the scheme was carried out as at 31st January 2023 which indicated no actuarial deficit. There is a risk that, as result of poor market returns and adverse changes in other valuation assumptions that the scheme deficit will increase. The Society mitigates this risk by agreeing suitable investment policies with the scheme trustee and by managing liquidity risk.

The defined benefit pension scheme has a surplus at the year-end for accounting purposes which is only recognised to the extent The Society is able to recover the surplus. The asset has been limited to £nil in the balance sheet as The Society is no longer able to reduce contributions in the future and no refunds have been agreed by the Trustee.

As explained in note 13 the scheme is closed to new entrants and future accruals.

Foreign exchange transactional currency exposure

The Society is exposed to currency exchange rate risk as a significant proportion of its purchases of wine are denominated in non-sterling currencies whereas its operating costs and receivables are denominated in sterling. This risk is mitigated by entering into derivative financial instruments (forward contracts) to purchase non sterling currencies.

Liquidity risk

Liquidity risk is the risk that The Society will be unable to generate or borrow sufficient working capital for its needs. Liquidity risk is managed by short-term and medium-term cash flow forecasts. The Society regularly considers and maintains minimum cash levels that are considered to be prudent for the nature and size of its business. The Society has no current borrowing facilities.

12 Financial assets and liabilities

	2023/24	2022/23
	£'000	£'000
Financial assets held at amortised cost		
- Cash	15,448	11,637
- Trade debtors	142	122
- Other debtors	245	239
	<u>15,835</u>	<u>11,998</u>

Notes to the financial statements

For the year ended 26th January 2024

12 Financial assets and liabilities (continued)

	2023/24	2022/23
	£'000	£'000
Financial liabilities held at amortised cost		
- Payment received on account from members	2,273	2,348
- Trade creditors	24,546	20,031
- Accruals	5,565	7,876
	<u>32,384</u>	<u>30,255</u>
Financial asset/(liabilities) measured at fair value through the profit and loss account (including derivatives such as foreign exchange contracts)	234	118

13a Pension schemes

Defined contribution scheme

Since January 2007, employees have been offered membership of The Society's stakeholder pension plan, a defined contribution scheme. During the year, The Society paid £866,000 (2022/23: £848,000) into the scheme. There were no outstanding or prepaid contributions at the balance sheet date.

Defined benefit scheme

The Society operates a defined benefit pension scheme, The International Exhibition Co-operative Wine Society Limited Pension & Life Assurance Scheme. The Scheme closed to future accrual in 2017. The Scheme's funds are administered by a Trustee and are independent of The Society's finances. Contributions are paid to the Scheme in accordance with the recommendations of an independent actuarial adviser.

The results of the formal actuarial valuation as at 31st January 2023 were updated to the accounting date by an independent qualified actuary in accordance with FRS102, allowing for contributions, benefit payments made, and changes in market conditions.

Notes to the financial statements

For the year ended 26th January 2024

13b The major assumptions used for the actuarial valuation were:

	2023/24	2022/23
Pensionable salary growth	N/A	N/A
Pension increases		
- Pre 1997 service	3.0%	3.0%
- 1997 to 2005 service	3.0%	3.1%
- Post 2005 service	1.9%	1.9%
Discount rate	5.0%	4.5%
Price inflation (RPI)	3.2%	3.2%
Price inflation (CPI)	2.6%	2.6%
Life expectancy of male aged 65 at the accounting date	21.6 years	22.2 years
Life expectancy of male aged 65, 20 years after the accounting date	22.9 years	23.4 years

The mortality rates used for life expectancy were 105% of the rates in the S3NA table published by the Bureau of Continuous Mortality Investigation (CMI). The mortality rates are projected by each member's year of birth in line with the CMI 2020 extended model with a long-term annual improvement of 1.25% p.a. for males and females.

The distribution of scheme assets was:

	2023/24	2022/23
	Fair Value	Fair Value
	£'000	£'000
Diversified growth fund and absolute return funds	-	4,661
Absolute return bonds	1,929	1,064
Corporate bonds	8,013	7,751
Buy & Maintain Credit	7,897	5,077
Liability Driven Investment	9,005	9,482
Sterling Liquidity Fund	1,943	2,907
Cash	638	1,436
	<u>29,425</u>	<u>32,378</u>

To ascertain the assumptions for the expected long term rate of return on assets, The Society considered the current level of expected returns on risk free investments (primarily Government bonds), the historical level of the risk premium associated with the other asset classes in which the portfolio is invested and the expectations for future returns of each asset class. The Trustee partially allocates funds to a Liability Driven Investment (LDI) strategy.

Notes to the financial statements

For the year ended 26th January 2024

13c The amount recognised in the balance sheet is as follows:

	2023/24	2022/23
	£'000	£'000
Fair value of scheme assets	29,425	32,378
Present value of scheme liabilities	(26,119)	(28,045)
Surplus	3,306	4,333
Impact of asset limit	(3,306)	(4,333)
Net asset	-	-

During the year, contributions by The Society of £nil (2022/23: £0.885m) were made to the scheme.

The defined benefit pension scheme has a surplus at the year-end for accounting purposes which is only recognised to the extent The Society is able to recover the surplus. The asset has been limited to £nil in the balance sheet as The Society is no longer able to reduce contributions in the future and no refunds have been agreed by the Trustee.

Amount charged to Profit and Loss Account:

	2023/24	2022/23
	£'000	£'000
Running costs in respect of insuring the death in service and investment manager fees	-	-
Past service costs, curtailments etc	-	-
Net interest on net defined benefit liability	-	-
Total Charges	-	-

Amount recognised in Other Comprehensive Income:

	2023/24	2022/23
	£'000	£'000
Amounts recognised in respect of defined benefit obligation	-	(885)
Total amount recognised	-	(885)

Notes to the financial statements

For the year ended 26th January 2024

13c The amount recognised in the balance sheet is as follows: (continued)

Reconciliation of net balance sheet position:

	2023/24 £'000	2022/23 £'000
Balance sheet liability at period start	-	-
Amount recognised in profit and loss account	-	-
Amount recognised in other comprehensive income	-	(885)
Employer's contributions paid	-	885
	<hr/>	<hr/>
Closing defined benefit liability	-	-

13d Pension scheme

Changes in the present value of the defined benefit liabilities are as follows:

	2023/24 £'000	2022/23 £'000
Opening fair value of scheme assets	32,378	46,759
Interest on scheme assets	1,417	1,036
Actual return less interest on scheme assets	(3,105)	(14,896)
Contributions by The Society	-	885
Benefits paid	(1,265)	(1,406)
	<hr/>	<hr/>
Closing fair value of scheme assets	29,425	32,378

The actual return on the scheme assets over the year was a loss of £1.69m (2022/23: loss of £13.86m). The amount recognised outside the profit and loss account in the statement of changes in equity for 2023/24 is £nil (2022/23: loss of £0.885m).

Notes to the financial statements

For the year ended 26th January 2024

14 Share capital

	2023/24	2022/23
	£'000	£'000
Opening balance	9,776	9,506
Additions	300	284
	<hr/>	<hr/>
	10,076	9,790
Cancellation of shares	(12)	(14)
Closing balance	<hr/> <u>10,064</u>	<hr/> <u>9,776</u>

	2023/24	2022/23
	Number	Number
Representing		
“A” share of £20 each	18,197	18,213
“B” share of £20 each	484,997	470,553
	<hr/>	<hr/>
	<u>503,194</u>	<u>488,766</u>

A and B shares carry the same rights and restrictions except that The Society is obliged under Rule 75 to maintain an A Shareholder’s Reserve of £11,852 (2022/23: £11,852), which, on a dissolution, ranks for payment in accordance with Rule 78.

15 Share premium account

	2023/24	2022/23
	£'000	£'000
Opening balance	5,831	5,547
Share premium additions to share capital	300	284
	<hr/>	<hr/>
Closing balance	<hr/> <u>6,131</u>	<hr/> <u>5,831</u>

The premium paid on any issue of shares is carried as a credit to an account called the “Share Premium Account”. Any or all of the Share Premium Account may be converted to capital under Rule 76. None of the Share Premium Account may be distributed or returned to any Member except if The Society is dissolved.

Notes to the financial statements

For the year ended 26th January 2024

16 Accumulated Profit Account

	2023/24	2022/23
	£'000	£'000
Opening balance	14,794	14,829
Cancellation of shares	(27)	(35)
	<hr/> 14,767	<hr/> 14,794
Amounts transferred from the profit and loss account	124	-
Closing balance	<hr/> <u>14,891</u>	<hr/> <u>14,794</u>

The Committee may resolve during an accounting year that a sum shall be transferred at the end of the accounting year from The Society's net profits (including profits of previous years retained by The Society) to the Accumulated Profit Account. Any sum so credited must be apportioned between and credited to The Society's shares issued at the end of the relevant accounting year in accordance with Rule 71.

17 Sales Discount Account

	2023/24	2022/23
	£'000	£'000
Opening balance	16,916	16,972
Cancellation of shares	(58)	(56)
	<hr/> 16,858	<hr/> 16,916
Amounts transferred from the profit and loss account	587	-
Closing balance	<hr/> <u>17,445</u>	<hr/> <u>16,916</u>

The Committee may resolve during an accounting year that a sum, which is a percentage of the total value of each member's transactions during that accounting year, shall be transferred at the end of the accounting year from The Society's net profits (including profits of previous years retained by The Society) to the Sales Discount Account. Any sum so credited must be credited to The Society's shares issued at the end of the relevant accounting year in proportion to the total value of each member's transactions during the relevant accounting year in accordance with Rule 73.

Notes to the financial statements

For the year ended 26th January 2024

18 Profit and loss account

	2023/24	2022/23
	£'000	£'000
Opening balance	3,627	2,952
Actuarial loss recognised (net of deferred taxation)	-	(885)
Profit after taxation	1,662	1,560
Amounts transferred to the Accumulated Profit Account and the Sales Discount Account in the year	(711)	-
Closing balance	<u>4,578</u>	<u>3,627</u>

19 Operating leases

During the year, The Society paid £0.4m (2022/23: £0.3m) in respect of operating leases, all of which related to motor vehicles, office equipment and plant and machinery.

At 26th January 2024 The Society's non-cancellable operating leases were as follows, which expire:

	2023/24	2022/23
	Motor Vehicles and office equipment	Motor Vehicles and office equipment
	£'000	£'000
Within one year	318	324
Between two and five years	383	554
More than five years	58	116
	<u>759</u>	<u>994</u>

20 Capital commitments

As at the year end, The Society has £0.4m (2022/23: £nil) contracted for but not provided for in the financial statements in respect of property, plant and equipment.

Notes to the financial statements

For the year ended 26th January 2024

21 En Primeur and In Bond sales

En Primeur involves the sale of a wine whilst that wine is still undergoing part of its winemaking process. Up to two and a half years following the initial En Primeur offer, the wine is released by the producer and made available to members for storage or delivery.

In accordance with relevant accounting standards revenue and corresponding costs are deferred until the wine is available to members. Payments to suppliers are recorded as prepayments within our asset balance and receipts from members are recorded within deferred income, in liabilities.

	2023/24	2022/23
	£'000	£'000
Impact on Turnover:		
Gross revenue before En Primeur adjustment	148,721	142,209
Sales of En Primeur and In Bond wines	(17,936)	(13,985)
En Primeur and In Bond wines made available	18,338	19,430
Gross revenue after En Primeur adjustment	149,123	147,654
VAT on gross revenue	(24,648)	(23,103)
Revenue	124,475	124,551
En Primeur and In Bond balance sheet items		
En Primeur purchases included in debtors	10,440	11,065
En Primeur deferred income included in creditors due within one year	(10,857)	(14,312)
En Primeur deferred income included in creditors due in more than one year	(6,803)	(3,750)
Total En Primeur deferred income	(17,660)	(18,062)
Net En Primeur balance	(7,220)	(6,997)

Statement of Committee's responsibilities

For the year ended 26th January 2024

The Committee is responsible for preparing the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 require the Committee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of The Society and of the profit or loss for that period. In preparing these financial statements, the Committee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures being 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 Society will continue in business.

The Committee is responsible for keeping proper accounting records that are sufficient to show and explain The Society's transactions and disclose with reasonable accuracy at any time the financial position of The Society and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014.

It is also responsible for safeguarding the assets of The Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Committee is aware:

- there is no relevant audit information of which The Society's auditor is unaware; and
- the Committee has taken all steps that it ought to have taken as Committee Members to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.

The financial statements were approved and authorised for issue by the Committee on 20th March 2024 and signed on 8th May 2024 on its behalf by:

A Black, Chair
 S Finlan, Chief Executive Officer
 K Brown, Chair of the Finance and Risk Subcommittee
 E Roskilly, Secretary

Alan Black



Ken Brown

Emily Postkilly

Unaudited - accumulated profit account

For the year ended 26th January 2024

The following table shows the amounts of Accumulated Profits to the credit of members, according to their share numbers, as at 26th January 2024. Profits are distributed on the combined value of each share and its relative accumulated profit. Such aggregate values, together with any attributable accumulated Sales Discount, are payable only on the decease of a member.

Years to	shares issued	£	Years to	shares issued	£	Years to	shares issued	£
1874-82	1-1050	1904.15	1915	3630-3605	234.83	1972	43069-50716	31.14
1883	1051-1030	447.37	1916	3606-3675	231.76	1973	50717-53016	88.76
1884	1031-1141	435.60	1917	3676-3987	228.72	1974	53017-54779	88.24
	1142-1176	427.30	1918	3988-4077	223.68	1975	54780-56495	77.71
1885	1177-1203	415.00	1919	4078-4114	218.39	1976	56496-57360	76.20
	1204-1221	413.21	1920	4115-4197	214.66	1977	57361-64160	76.20
1886	1222-1234	411.33	1921	4198-4399	210.34	1978	64161-63632	74.60
	1235-1260	408.95	1922	4400-4397	206.53	1979	63633-75075	71.78
1887	1261-1283	401.27	1923	4398-5252	202.58	1980	75076-73820	70.40
	1284-1313	397.71	1924	5253-5564	201.07	1981	73821-83605	69.05
1888	1314-1332	393.47	1925	5565-5860	197.35	1982	83606-83386	66.66
	1333-1350	389.49	1926	5861-6230	193.88	1983	83387-94154	64.35
1889	1351-1374	386.40	1927	6231-6666	190.61	1984	94155-98753	62.08
	1375-1402	381.37	1928	6667-7188	187.64	1985	98760-106279	60.06
1890	1403-1454	378.70	1929	7189-7712	184.70	1986	106280-112630	58.06
	1455-1498	375.72	1930	7713-8303	181.54	1987	112631-116638	56.17
1891	1499-1554	352.63	1931	8304-8907	178.87	1988	116639-120397	52.57
	1555-1613	350.44	1932	8908-9488	176.38	1989	120398-128252	49.13
1892	1614-1634	347.02	1933	9489-10311	173.71	1990	128253-135454	45.85
	1635-1732	343.40	1934	10312-10807	171.68	1991	135455-143358	42.68
1893	1733-1784	340.54	1935	10808-11659	169.44	1992	143359-151797	39.72
	1785-1826	338.34	1936	11660-12634	167.27	1993	151798-159300	36.90
1894	1827-1860	335.30	1937	12635-13808	165.37	1994	159301-167394	34.15
	1861-1882	330.68	1938	13809-15149	163.44	1995	167395-175220	31.57
1895	1883-1911	327.90	1939	15150-16551	161.66	1996	175221-182893	30.58
	1912-1944	322.89	1940	16552-17480	159.70	1997	182894-191950	29.63
1896	1945-1984	313.41	1941	17481-17995	158.18	1998	191951-201150	24.72
	1985-2024	311.37	1942	17996-18055	158.18	1999	201151-212344	22.56
1897	2025-2059	306.60	1943	18056-18059	156.82	2000	212345-223503	22.56
	2060-2105	304.50	1946	18060	150.72	2001	223504-230168	20.14
1898	2106-2140	302.72	1949	18061-18081	147.36	2002	230169-236802	18.62
	2141-2197	299.06	1950	18082-20681	146.16	2003	236803-244154	15.76
1899	2198-2282	296.54	1951	20682-23954	145.89	2004	244155-252150	15.42
	2283-2336	294.14	1952	23955-26372	145.31	2005	252151-260127	15.07
1900	2337-2378	289.55	1953	26373-27901	144.31	2006	260128-269960	14.74
	2379-2425	286.55	1954	27902-28503	142.02	2007	269961-281672	14.74
1901	2426-2471	285.58	1955	28504-29127	137.24	2008	281673-292724	14.74
	2472-2517	281.37	1956	29128-29874	134.59	2009	292725-304005	11.85
			1957	29875-30676	132.83	2010	304006-314303	9.51
			1958	30677-31510	131.66	2011	314304-326075	4.40
			1959	31511-32180	127.37	2012	326076-339344	3.02
1903	2518-2617	278.38	1960	32181-32939	119.88	2013	339345-353006	2.57
1904	2618-2703	271.85	1961	33000-33975	113.87	2014	353007-368230	0.90
1905	2704-2783	268.10	1962	33976-35183	108.95	2015	368231-382677	0.29
1906	2784-2866	264.91	1963	35184-36367	104.02	2016	382678-397654	0.29
1907	2867-2947	263.71	1964	36368-37906	101.17	2017	397655-411916	0.29
1908	2948-3022	260.90	1965	37907-39443	98.52	2018	411917-428000	0.29
1909	3023-3096	259.66	1966	39444-40923	95.90	2019	428001-443007	0.29
1910	3097-3194	257.81	1967	40924-42234	95.90	2020	443008-458282	0.29
1911	3195-3317	255.70	1968	42235-43765	95.90	2021	458283-482217	0.29
1912	3318-3450	254.52	1969	43766-45560	95.90	2022	482218-501825	0.20
1913	3451-3580	248.56	1970	45561-47675	94.76	2023	501826-516002	0.10
1914	3581-3689	242.12	1971	47676-49068	93.27	2024	516003-531015	0.10