

Company No. 84909
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BY APPOINTMENT
TO HER MAJESTY QUEEN ELIZABETH II
GROCERS & PROVISION MERCHANTS
FORTNUM & MASON PLC. LONDON

FORTNUM & MASON PLC



CLASSIFIED
19 AUG 1982
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REPORT AND ACCOUNTS 1982

FORTNUM & MASON PLC

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FORTNUM & MASON PLC

Directors and professional advisers

Chairman

Garry H. Weston

Vice-Chairman

W. G. Galen Weston

Directors

Mrs. C. H. W. Dalglish

J. G. Lithiby

F. W. Lockyer

Mrs. M. D. W. Rebanks

Secretary and registered office

F. W. Lockyer, F.C.A., A.T.I.I.

181 Piccadilly, London W1A 1ER

Auditors

Price Waterhouse

Southwark Towers

32 London Bridge Street

London SE1 9SY

Solicitors

A. Kramer & Co.

40 Portland Place

London W1N 4BA

Bankers

Bank of Scotland

Haymarket branch

57/60 Haymarket

London SW1Y 4QY

Registrar and transfer office

M. R. Gore, A.C.I.S.

17 Camden Road, London NW1 9LJ

FORTNUM & MASON PLC

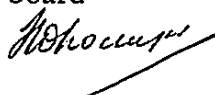
Notice of annual general meeting

Notice is hereby given that the seventy-seventh annual general meeting of the company will be held at the Bowater Conference Centre, Bowater House, 68 Knightsbridge, London, SW1X 7LR on Monday 21st June 1982 at 10.30 a.m. for the following purposes:—

- 1 To receive and adopt the accounts for the year ended 30th January 1982 together with the reports of the directors and auditors thereon.
- 2 To declare a final dividend on the ordinary stock of the company.
- 3 To re-appoint directors retiring under the articles of association.
- 4 To re-appoint Price Waterhouse as auditors of the company and to authorise the directors to fix their remuneration.

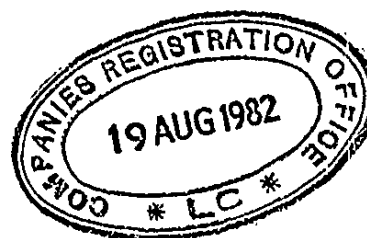
By order of the board

F. W. Lockyer
Secretary



27th May 1982

Registered office
181 Piccadilly,
London W1A 1ER



NOTES:

1. A member entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and vote instead of him. The person appointed need not be a member of the company. Forms of proxy, if used, must be lodged at the registered office at least 48 hours before the meeting.
 2. This notice is sent to preference stockholders for information only.
 3. Preference stock and ordinary stock dividend warrants will be posted on 28th June 1982.
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FORTNUM & MASON PLC

Chairman's statement

TRADING RESULTS

The improving trend which was noted at the time of the interim results has been maintained in the second and more crucial half of the trading year. Although sales in the second half remained static when compared against the previous year the company was able to record a substantial improvement in operating results. For the year as a whole sales totalled £8,588,000; an increase of some two per cent over the previous year. The loss at the trading level was reduced from £322,000 to £81,000. Once again, the results for the year have borne an exceptional level of non-recurring costs, principally associated with the refurbishment of the entire ground floor of the store. The costs charged against revenue arising from these works exceeded £130,000. Additionally, there was the disruption to trade both prior to and after December, when large sections of the trading area were partitioned off to allow the refurbishment work to proceed. Viewed against the background of a difficult economic climate and the impact of the disruption referred to, the Directors are very encouraged by the improvement which has been achieved.

MANAGEMENT

The substantial gains achieved in trading performance are a direct reflection of the improved management structure and systems and the closure of non-contributing service departments. Both in the food and non-food departments efforts have been directed to widening and upgrading the range of merchandise. At the same time merchandising techniques have been greatly improved, making for greater efficiency not only of display but of product mix and profitability. It is recognised that improvement in the range and display of merchandise and the level of management must be backed by the quality of customer service at all levels and an in-store training programme for sales staff has been developed as a permanent feature of the personnel function.

Continuing emphasis has been placed on improving the financial controls and this has been clearly demonstrated by the sharp reduction of almost £500,000 in working capital. These improved controls have enabled the company to finance nearly £650,000 of capital expenditure without any deterioration in its liquid resources, a major achievement.

STORE DEVELOPMENT

Although unfinished at the close of the financial year, the refurbishment of the ground floor was completed in March, 1982. The entire project was carried out in accordance with schedule and without delays. Additionally, and a cause for some pride, there was not a single customer complaint throughout the operation. Simultaneously with the physical up-grading of the facilities, there has been a programme of improving and extending the product ranges. Our grocery department has developed some forty new product items which because of their extra quality and exclusivity can be justifiably sold under the Fortnum & Mason label. These new products, which include jams, mustards and shortbreads, will further enhance the superior range of foods sold under the name of Fortnum & Mason.

In the provisions and fresh foods sections over thirty new product items have been introduced, some from our own kitchens. New salads and an extended range of cheeses have also been brought in. In conjunction with these improvements there is a new range of picnic hampers offered.

In the new tea and coffee department to accentuate the outstanding range of Fortnum & Mason teas we have introduced new packaging and design on our tins and a new range of ten loose teas, including Keemun and Lapsang Souchong and other exotic fruit teas, are now available for our discerning customers.

With the increase in store refrigeration it has been possible to widen and further improve the chocolate department and the fruit and vegetable section. In the wines and spirits department, now located directly above the wine crypt, efforts are continually being directed to further

FORTNUM & MASON PLC

Chairman's statement continued

improving the level of customer service. In addition to customers now being able to participate in wine-tastings in the crypt, it is possible for those customers who wish to do so to lay down a selection of recommended wines.

In the other departments the new children's wear department on the third floor was opened during the year and has achieved such a level of customer acceptance that plans are now in hand to extend the sales area.

Similarly, on the third floor, the men's wear department has successfully extended its range and has achieved a significant increase in sales. Plans have been approved to extend the area of this department, to upgrade the facilities and to further develop the range of suitings and knitwear.

In the lower ground floor an improved range of cookware has been introduced and has met with immediate success. This floor will be the next area to receive attention and plans have been approved to redecorate the entire department, to improve the lighting and fixturing and to re-merchandise certain of the departments.

Following our new and very successful wholesale export arrangements in North America Fortnum & Mason (Export) Limited is now being developed as a specialist and separate activity for wholesale food exports and marks the beginning of what the Board believes will constitute a major profit contributor in future years. Under its new management the company will concentrate on the export of a selected range of food items in markets where sales of Fortnum & Mason labelled products are achieving an increasing level of acceptance.

The year 1982 marks the 275th anniversary of Fortnum & Mason. Plans are in hand to celebrate such a significant event and more details of these will be released later in the year, but it is hoped that the planned programme will not only honour the occasion appropriately, but will also have an impact on the level of store trade.

FUTURE PROSPECTS

It is customary in these difficult times for Chairmen to decline to comment on future prospects. It is not possible for Fortnums to divorce itself from the rigours of the economic climate, not only in this country, but overseas which is important to us both in terms of customer traffic and the level of our export trade. I am however full of optimism for the future of Fortnum & Mason. The company has survived three extremely difficult years in which the level of adversity and change which it has had to face, both internally and externally, has never been greater.

I believe that the company has come through this difficult period and is in condition not only to maintain its recent improvement in trading performance, but to reap the benefit of the upturn in the economy generally which must sooner or later materialise.

Much has been achieved, but much more remains to be done and I am confident that we shall continue to make progress not only in improving profitability but also in developing the volume of trade.

APPRECIATION

Again, let me pay tribute to the outstanding loyalty and effort of all our staff at all levels throughout the store. During a period of great difficulty they have once again demonstrated their loyalty and belief in Fortnum & Mason and I thank them.

GARRY H. WESTON

FORTNUM & MASON PLC

Report of the directors

The directors submit their seventy-seventh annual report together with the accounts of the company for the year ended 30th January 1982.

Profit and dividends

The profit and loss account on page 8 shows the profit for the year ended 30th January 1982. The balance available to shareholders amounted to £448,000 (1981—£302,000). A final dividend of 19.72% net on the ordinary stock is proposed (1981—19.72%). The final dividend is calculated on the basis of an advance corporation tax rate of 30%.

Principal activities

The company continued its activities as a department store during the year.

Directors

No changes in directorships have taken place since 7th July 1981, the date of the last annual report.

Mr. Garry H. Weston and Mrs. M. D. W. Rebanks retire by rotation and being eligible offer themselves for re-election.

A list of the present directors of the company is shown on page 2 and the schedule of their beneficial interests, including family interests, in the shares and debentures of the group is shown on page 15.

Fixed assets

During the year George Weston Holdings Ltd. the immediate holding company of Fortnum & Mason PLC., purchased a long lease of 125 years on the Piccadilly premises from the freeholders. Fortnum & Mason PLC continues to occupy the premises on the same terms as formerly and has been granted an option to acquire the long lease at the original cost of £1.75 million to the parent company at any time within 10 years of the purchase of the lease.

The assurance policy held by the company to provide funds for renewal of the lease was surrendered during the year for its value of £88,218.

The company commenced an extensive refurbishment of the ground floor of the store during the year and further comment on this is made in the Chairman's statement.

FORTNUM & MASON PLC

Report of the directors continued

Employees

The average number of employees per week amounted to 408 (1981—452) and the aggregate remuneration for the year amounted to £1,755,982 (1981—£1,855,418). Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who is fortunate enough not to suffer from a disability.

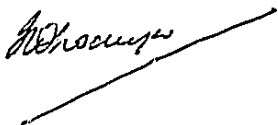
Charitable donations and political contributions

Charitable donations for the year amounted to £85 (1981—£230). There were no contributions to any political organisation during the year (1981—nil).

Auditors

The auditors, Price Waterhouse, have indicated their willingness to be re-appointed.

By order of the board

F. W. Lockyer Secretary 

27th May 1982

FORTNUM & MASON PLC

Profit and loss account

for the year ended 30th January 1982

	Notes	1982 £'000	1981 £'000
Turnover		<u>8,588</u>	<u>8,421</u>
Trading (loss)	3	(81)	(322)
Interest receivable	9	<u>350</u>	<u>441</u>
Profit before taxation		269	119
Taxation	6	<u>(179)</u>	<u>(183)</u>
Profit after taxation		<u>448</u>	<u>302</u>
Dividends:			
Preference of 4.9p per unit of stock (1981 — 4.9p per unit)		8	8
Interim ordinary of 3.5p per unit of stock (1981—3.5p per unit)		15	15
Proposed final ordinary of 19.72p per unit of stock (1981—19.72p per unit)		<u>84</u>	<u>84</u>
		<u>107</u>	<u>107</u>
Retained profit transferred to reserves	12.	<u>341</u>	<u>195</u>
Earnings per share	5	103.68p	69.13p

The notes on pages 11 to 14 form an integral part of these accounts.

FORTNUM & MASON PLC

Balance sheet as at 30th January 1982

	Notes	1982 £'000	1981 £'000
Fixed assets	8	1,567	1,025
Interests in subsidiaries	7	2	2
Current assets			
Stock		1,194	1,279
Debtors and prepayments		1,092	1,210
Amounts due from immediate holding company and fellow subsidiaries		195	231
Bank balances and cash	9	2,410	2,127
		4,891	4,847
Deduct: Current liabilities			
Creditors and accrued charges		1,334	1,071
Amounts due to fellow subsidiaries		37	55
Dividends payable	10	84	84
		1,455	1,210
Net current assets		3,436	3,637
		5,005	4,664
Represented by:			
Share capital	11	600	600
Reserves	12	4,405	4,064
		5,005	4,664

Garry H. Weston
F. W. Lockyer

GARRY H. WESTON

Chairman

F. W. LOCKYER

Director

27th May 1982

The notes on pages 11 to 14 form an integral part of these accounts.

FORTNUM & MASON PLC

Source and application of funds

for the year ended 30th January 1982

	1982 £'000	1981 £'000
Source of funds		
Profit before taxation	269	119
Add: depreciation	89	54
proceeds of disposal of assets	18	—
taxation—group relief receivable	179	—
	<u>555</u>	<u>173</u>
Application of funds		
Dividends paid and proposed	107	107
Taxation paid/payment for group relief	—	364
Capital expenditure including capital refurbishment costs	649	172
Acquisition of subsidiaries	—	2
	<u>756</u>	<u>645</u>
	<u>(201)</u>	<u>(472)</u>
(Decrease)/increase in working capital		
(Decrease) in stock	(85)	(169)
(Decrease) in debtors	(118)	(168)
Decrease/(increase) in creditors	(263)	14
Net (decrease) in amounts due from immediate holding company and fellow subsidiaries	(18)	(62)
	<u>(484)</u>	<u>(385)</u>
Movement in net liquid funds:		
Increase/(decrease) in cash balances	283	(87)
	<u>(201)</u>	<u>(472)</u>

FORTNUM & MASON PLC

Notes to the accounts

1 Accounts

The accounts have been prepared under the historical cost convention as modified by the valuation of the leasehold property in compliance with Section 149A of and Schedule 8A to the Companies Act 1948.

2 Accounting policies

(i) Turnover

Turnover represents amounts charged to customers for goods sold and services rendered, less returns and net of value added tax.

(ii) Fixed assets

Depreciation is provided by the company so as to write off the cost or valuation of certain fixed assets over their estimated useful lives by equal annual instalments as follows:

Short leasehold property — over remaining period of lease

Fixtures and equipment — over 5 or 10 years

Works of art are included at cost.

(iii) Stocks

Stocks which comprise merchandise held for resale are stated at the lower of cost and net realisable value.

(iv) Deferred taxation

Provision is made for taxation on timing differences between profits stated in the accounts and profits computed for taxation purposes if there is reasonable probability that such taxation will become payable in the foreseeable future.

3 Trading (loss)

	1982	1981
	£	£
The trading (loss) is stated after charging:		
Depreciation	88,789	53,572
Refurbishment costs	136,397	—
Hire of vehicles	83,632	99,799
Auditors' remuneration	19,000	17,500
Directors' emoluments: (note 4)		
Fees	1,115	574
Management services	—	16,744
Management charge from immediate holding company	78,000	20,000

FORTNUM & MASON PLC

Notes continued

4 Directors' emoluments

								1982	1981
(i) Emoluments of:									
Chairman	...	...	...	...	...	...	...	£100	£100
Highest paid director	...	...	...	...	...	...	...	£615	£5,812
(ii) Other directors' emoluments (excluding pension contributions)								Number of directors	Number of directors
Nil — £5,000	...	...	...	...	...	...	...	6	3
£5,001 — £10,000	...	...	...	...	...	...	...	—	3

Certain directors of the company are remunerated by the immediate holding company which raises a management charge.

5 Earnings per share

The calculation of earnings per share is based on earnings of £440,658 (1981—£293,807) and 425,000 ordinary stock units in issue.

6 Taxation

Taxation at the rate of 52% is based on the results for the year and the credit in the profit and loss account is made up as follows:

								1982	1981
								£'000	£'000
Group relief receivable	...	...	...	...	...	...	...	(189)	—
Corporation tax recoverable	...	...	...	...	...	...	...	—	(33)
Advance corporation tax	...	...	...	...	...	...	...	10	—
Deferred tax provided in previous years	...	...	...	...	...	...	...	—	(150)
not required.	...	...	...	...	...	...	...	(179)	(183)

7 Subsidiaries

The Company owns the entire issued share capital of the following companies which are shown at cost:-

Fortnum & Mason (Export) Limited, incorporated in Great Britain.

Fortnum & Mason (London) Limited, incorporated in Great Britain.

Fortnum & Mason of London Limited, incorporated in Canada.

Fortnum & Mason (Pty) Limited, incorporated in Australia.

None of the companies has traded during the year and the directors are of the opinion that in view of the insignificant amounts involved there would be no real value in the presentation of group accounts.

FORTNUM & MASON PLC

Notes continued

8 Fixed assets

	Short leasehold property £'000	Fixtures and equipment £'000	Works of art £'000	Total £'000
Cost or valuation				
Balance at 31st January 1981	823	793	202	1,818
Additions	125	524	—	649
Disposals	(31)	(184)	(5)	(220)
Balance at 30th January 1982	<u>917</u>	<u>1,133</u>	<u>197</u>	<u>2,247</u>
Representing				
Cost	193	1,133	197	1,523
Valuation — 1956	724	—	—	724
	<u>917</u>	<u>1,133</u>	<u>197</u>	<u>2,247</u>
Depreciation				
Balance at 31st January 1981	250	543	—	793
Charge for the year	15	73	—	88
Disposals	(31)	(170)	—	(201)
Balance at 30th January 1982	<u>234</u>	<u>446</u>	<u>—</u>	<u>680</u>
Net book amount				
30th January 1982	<u>683</u>	<u>687</u>	<u>197</u>	<u>1,567</u>
31st January 1981	<u>573</u>	<u>250</u>	<u>202</u>	<u>1,025</u>

The company's leasehold interest in the Piccadilly premises was valued by J. Trevor and Sons, Valuers, at 24th October 1980. They reported that the open market value of the company's leasehold interest with full vacant possession and assuming its use restricted to a department store in single occupation was £5,000,000.

This estimated open market value has been incorporated in the current cost accounts shown on pages 16 to 18.

The company is committed to capital expenditure of approximately £315,000 for which no provision is made in these accounts.

FORTNUM & MASON PLC

Notes continued

9 Bank and cash balances/loan to immediate holding company

Cash, surplus to the operating requirements of the business, is loaned from time to time to the immediate holding company; such loans are at arms length rates of interest which also relate to National Westminster Bank base rates.

10 Dividends payable

	1982	1981
Accrued preference dividend	715	715
Proposed final dividend on ordinary stock	83,810	83,810
	<u>£34,525</u>	<u>£84,525</u>

11 Share capital

AUTHORISED:	£'000
4.9% cumulative preference stock units of £1 each	175
Ordinary stock units of £1 each	425
Ordinary shares of £1 each	150
	<u>750</u>
ISSUED AND FULLY PAID:	
4.9% cumulative preference stock units of £1 each	175
Ordinary stock units of £1 each	425
	<u>600</u>

12 Reserves

Balance at 31st January 1981	4,064
Retained profit for the year	341
	<u>4,405</u>

Of the reserves at 30th January 1982, £118,717 relates to the share premium account and a further £505,207 relates to the surplus on revaluation of leasehold property.

13 Ultimate holding company

The ultimate holding company of Fortnum & Mason PLC is Wittington Investments Limited. The immediate holding company of Fortnum & Mason PLC is George Weston Holdings Limited which, at 30th April 1982 held 364,451 ordinary stock units representing in aggregate 86% of the total issued ordinary share capital of the company. So far as is known no other person holds or is beneficially interested in more than 5% of the ordinary share capital.

Garry H. Weston has an interest, as defined in section 28 of the Companies Act 1967, in Wittington Investments Limited which is a controlling interest.

Fortnum & Mason PLC is a close company as defined in the Corporation Taxes Acts.

FORTNUM & MASON PLC

Statement of directors' interests

The persons who were directors of the company at the end of the year had the following beneficial interests, including family interests, in the shares and loan stock of the company, its holding companies and fellow subsidiary companies:

	30th January 1982	1st February 1981
Garry H. Weston		
Wittington Investments Limited, ord. shares of 50p	16,994	16,994
George Weston Holdings Limited, ord. shares of 50p	1,535	1,535
Associated British Foods PLC, ord. shares of 5p	395,657	395,657
W. G. Galen Weston		
Wittington Investments Limited, ord. shares of 50p	37,953	37,953
George Weston Holdings Limited, ord. shares of 50p	12,498	12,498
Associated British Foods PLC, ord. shares of 5p	504,230	503,320
Mrs. C. H. W. Dalglish		
Wittington Investments Limited, ord. shares of 50p	15,300	15,300
George Weston Holdings Limited, ord. shares of 50p	6,228	6,228
Associated British Foods PLC, ord. shares of 5p	262,321	262,321
Fortnum & Mason PLC, ordinary stock units of £1	100	100
J. G. Lithiby		
Fortnum & Mason PLC, ordinary stock units of £1	500	—
Mrs. M. D. W. Rebanks		
Wittington Investments Limited, ord. shares of 50p	15,500	15,500
George Weston Holdings Limited, ord. shares of 50p	6,662	6,662
Associated British Foods PLC, ord. shares of 5p	167,046	167,046
Fortnum & Mason PLC, ord. stock units of £1	100	100

Notes

1 Garry H. Weston and W. G. Galen Weston are trustees of a trust, in which they have no beneficial interest, which at 30th January 1982 held 448,785 ordinary shares of 50p (1981—448,785) in Wittington Investments Limited, and 198,008 ordinary shares of 50p (1981—198,008) in George Weston Holdings Limited.

2 Garry H. Weston is a trustee of a trust in which he has no beneficial interest, which at 30th January 1982 held 1,000,000 ordinary shares of 5p (1981—1,000,000) in Associated British Foods PLC.

3 Mrs. C. H. W. Dalglish, J. G. Lithiby, F. W. Lockyer, Mrs. M. D. W. Rebanks and W. G. Galen Weston each held 500 ordinary stock units and Garry H. Weston held 1,000 ordinary stock units of £1 each in Fortnum & Mason PLC at 30th January 1982 in which they have no beneficial interest.

4 There have been no changes in the above holdings between 30th January 1982 and 30th April 1982.

5 No director has had a material interest in a contract with the company during the year.

FORTNUM & MASON PLC

Current cost profit and loss account for the year ended 30th January 1982

	Notes	1982 £'000 <u>8,588</u>	1981 £'000 <u>8,421</u>
Turnover			
(Loss) before interest and taxation on the historical cost basis		(81)	(322)
Less: current cost operating adjustments ...	5	<u>(358)</u>	<u>(436)</u>
Current cost operating (loss)		(439)	(758)
Interest receivable		<u>350</u>	<u>441</u>
Current cost (loss) before taxation		(89)	(317)
Taxation recoverable		<u>179</u>	<u>183</u>
Current cost profit/(loss) attributable to shareholders		90	(134)
Dividends		<u>(107)</u>	<u>(107)</u>
Retained current cost (loss) for year		<u>(17)</u>	<u>(241)</u>
Current cost earnings/(loss) per share		19.28p	(33.43p)

FORTNUM & MASON PLC

Current cost balance sheet

as at 30th January 1982

	Notes	1982 £'000	1981 £'000
Fixed assets	1	7,052	6,600
Interests in subsidiaries		2	2
Net current assets:			
Stock	2	1,198	1,280
Monetary working capital	2	423	442
Funds on deposit		2,250	2,000
Capital refreshment creditors		(347)	—
		3,524	3,722
Proposed dividends		(84)	(84)
		10,494	10,240
Financed by:			
Share capital		600	600
Reserves		9,894	9,640
		10,494	10,240
Reserves			
		£'000	£'000
Balance at 31st January 1981		9,640	8,634
Current cost (loss) for year		(17)	(241)
Revaluation surpluses reflecting price changes:			
Leaseholds		—	815
Other fixed assets		219	307
Stocks		3	(39)
		9,845	9,476
Monetary working capital and cost of sales adjustments		49	164
Balance at 30th January 1982		9,894	9,640

FORTNUM & MASON PLC

Notes to the current cost accounts

The current cost accounts on pages 16 and 17 have been prepared in accordance with Statement of Standard Accounting Practice No.

1 Fixed assets

The current cost of the leasehold property is based on a valuation by J. Trevor & Sons, valuers, at 24th October 1980 on an open market value existing use basis.

The gross current cost of the remaining fixed assets has been derived from recent insurance valuations on a replacement cost basis, being the most readily available estimate of current cost.

These values have been adjusted by appropriate indices.

Total depreciation charged in the current cost profit and loss account represents the current cost of the proportion of fixed assets consumed in the period. The depreciation adjustment of £308,675 is the difference between the historic cost and current cost amounts.

	Gross current replacement cost £'000	Depre- ciation £'000	1982 Net current replacement cost £'000	1981 Net current replacement cost £'000
Leasehold	5,030	117	4,913	5,000
Fixtures and equipment	3,504	1,832	1,672	1,325
Works of art	467	—	467	275
	<u>9,001</u>	<u>1,949</u>	<u>7,052</u>	<u>6,600</u>

2 Working capital

Working capital includes stocks, trade debtors less trade creditors, and that part of total cash balances which is required for the day to day funding of the company's trading.

In order to allow for the impact of price changes on working capital, two adjustments are made to the operating costs calculated on the historical cost basis, one on stock, and the other on monetary working capital. The adjustments are based on movements in price index 30360, being the appropriate index for department stores issued by the Central Statistical Office.

3 Gearing adjustment

As the company does not have net borrowings a gearing adjustment is not necessary.

4 Other accounting policies

Except as noted above, the policies used in the current cost accounts are the same as those used in the historical cost accounts.

5 Adjustments made in deriving current cost operating profit

	1982 £'000	1981 £'000
Cost of sales	46	140
Monetary working capital	3	24
Depreciation	309	272
Current cost operating adjustments	<u>358</u>	<u>436</u>

FORTNUM & MASON PLC

Auditors' report

To the members of Fortnum & Mason PLC

We have audited the accounts on pages 8 to 14 and 16 to 18 in accordance with approved Auditing Standards.

In our opinion:

the accounts on pages 8 to 14 which have been prepared under the historical cost convention as modified by the valuation of leasehold property give, under that convention, a true and fair view of the state of the company's affairs at 30th January 1982 and of its profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981, and

the supplementary current cost accounts on pages 16 to 18 have been properly prepared in accordance with the policies and methods described in the notes, to give the information required by Statement of Standard Accounting Practice No. 16.

Southwark Towers
32 London Bridge Street
London SE1 9SY.
27th May 1982

Price Waterhouse
Price Waterhouse
Chartered Accountants