

234834

LITTLEWOODS OF LIVERPOOL LIMITED

REPORTS AND ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1994

<u>CONTENTS</u>	Page
Report of the Directors	2 - 3
Report of the Auditors	4
Profit and Loss Account	5
Note of Historical Cost Profits and Losses	6
Balance Sheet	7
Statement of Accounting Policies	8 - 9
Notes to the Accounts	10 - 15



LITTLEWOODS OF LIVERPOOL LIMITED

REPORT OF THE DIRECTORS

The directors hereby submit their report, together with the accounts of the company, for the year ended 31st December, 1994.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company continued to be the hiring out of plant and machinery, renting out of property and providing filling and distribution services for advertising literature.

RESULTS AND DIVIDENDS

The loss for the year before taxation amounted to £952,230, after providing for taxation a loss of £1,658,380 is to be transferred to reserves.

No dividend is proposed for the year under review.

FIXED ASSETS

The changes in tangible fixed assets are set out in note 7 to the accounts.

The directors are of the opinion that the market value of all land and buildings does not differ significantly from the balance sheet values at 31st December 1994.

One property with a net book value of £5,400,120 was revalued by Knight Frank & Rutley at 31.12.94 at a value of £3,000,000. Knight Frank & Rutley are independent Chartered Surveyors and the basis of their valuation is open market value for existing use.

All these assets are held for use in operating leases to other group businesses.

DIRECTORS

The directors who held office during the year were:

Mr. M.J.B. Hogarth
Mr. J.C. Thwaite
Mrs. M. Green

The director retiring by rotation is Mrs. M. Green who, being eligible, offers herself for re-election.

There are no interests of directors which are within the disclosure requirements of the Companies Act 1985 in relation to the company, in shares of the company, its holding company or subsidiaries of the holding company.

During the year no remuneration or benefits of any kind were received by any director from the company.

LITTLEWOODS OF LIVERPOOL LIMITEDREPORT OF THE DIRECTORS

EMPLOYEES

The company has no employees.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The following statement, which should be read in conjunction with the statement of auditors' responsibilities set out on page 4, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the accounts.

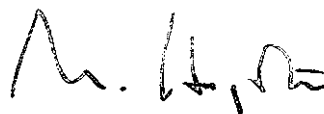
The directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that, in preparing the accounts (on pages 5 to 15), the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed and that the accounts have been prepared on the going concern basis.

The directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the accounts comply with the Companies Act 1985.

The directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

BY ORDER OF THE BOARD



M.J.B. HOGARTH
Secretary

LIVERPOOL - 21st April 1995

REPORT OF THE AUDITORS
TO THE MEMBERS OF LITTLEWOODS OF LIVERPOOL LIMITED

We have audited the accounts on pages 5 to 15.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 3, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December, 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

LIVERPOOL - 16 May 1995.

Coopers & Lybrand
 COOPERS & LYBRAND
 Chartered Accountants and
 Registered Auditors

LITTLEWOODS OF LIVERPOOL LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST DECEMBER, 1994

	Notes	1994 £	1993 £
TURNOVER including Value Added Tax			
Continuing Operations		7,944,582	5,418,577
Value Added Tax		(969,679)	(585,886)
TURNOVER excluding Value Added Tax		6,974,903	4,832,691
Cost of Sales		(5,415,108)	(3,500,152)
GROSS PROFIT		1,559,795	1,332,539
Administrative Expenses		(168,641)	(6,697)
OPERATING PROFIT		1,391,154	1,325,842
Exceptional Items	4	(2,347,306)	123,793
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		(956,152)	1,449,635
Net Interest	5	3,922	(2,298)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1	(952,230)	1,447,337
Taxation	6	(706,150)	630,258
(LOSS)/PROFIT FOR YEAR	11b	(1,658,380)	817,079

The company has no other recognised gains and losses other than the profit for the financial year shown above, and therefore no separate statement of recognised gains and losses has been presented. The profit and loss account is all in respect of continuing operations.

LITTLEWOODS OF LIVERPOOL LIMITED
NOTE OF HISTORICAL COST PROFITS AND LOSSES
FOR THE YEAR ENDED 31ST DECEMBER, 1994

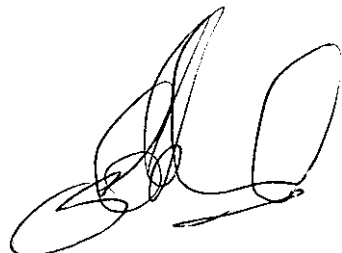
	1994 £	1993 £
REPORTED (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(952,230)	1,447,337
Difference between historical cost depreciation charge and the actual charge for the year calculated on the revalued amount	706,675	3,261
Realisation of revaluation surpluses of previous years on assets disposed of during the year	385,456	-
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>139,901</u>	<u>1,450,598</u>
HISTORICAL COST (LOSS)/PROFIT FOR THE YEAR RETAINED AFTER TAXATION	<u>(566,249)</u>	<u>820,340</u>

The difference between the historical cost depreciation charge and the actual charge for the year calculated on the revalued amount has been recharged to Group Businesses.

LITTLEWOODS OF LIVERPOOL LIMITED
BALANCE SHEET 31ST DECEMBER, 1994

	Notes	1994 £	1993 £
FIXED ASSETS			
Tangible Assets	7	16,137,456	20,335,353
CURRENT ASSETS			
Debtors	8	2,823,606	3,034,793
CREDITORS:			
Amounts falling due within one year	9	4,210,163	7,222,017
NET CURRENT LIABILITIES		1,386,557	4,187,224
TOTAL ASSETS LESS CURRENT LIABILITIES		14,750,899	16,148,129
CREDITORS:			
Amounts falling due after more than one year		546,000	1,160
PROVISIONS FOR LIABILITIES AND CHARGES	10	1,856,333	2,140,023
		12,348,566	14,006,946
CAPITAL AND RESERVES			
Called up share capital	11a	2,000,000	2,000,000
Revaluation reserve	11b	11,808	397,264
Profit and Loss account	11b	10,336,758	11,609,682
EQUITY SHAREHOLDERS FUNDS		12,348,566	14,006,946

The accounts on pages 5 to 15 were approved by the Board of Directors on 21st April 1995.



Mr. J.C. Thwaite
Director



Mrs. M. Green
Director

LITTLEWOODS OF LIVERPOOL LIMITEDSTATEMENT OF ACCOUNTING POLICIESPRINCIPAL ACCOUNTING POLICIES

The accounts have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important group accounting policies, which have been applied consistently, is set out below.

BASIS OF ACCOUNTING

The accounts have been prepared on the historical cost basis of accounting, modified by the revaluation of certain fixed assets.

TURNOVER

Turnover represents the value of goods and services sold to fellow group businesses and external customers.

LAND AND BUILDINGS

Freehold and long leasehold land and buildings with infrequent rent reviews are revalued at intervals not exceeding four years by revaluing approximately one quarter of the properties each year and such values are incorporated into the books of account. The only properties that are not being revalued are those specifically adapted for the company's particular activities, short leaseholds, long leaseholds subject to frequent rent reviews and those currently available for disposal.

It is the company's policy to maintain its properties in a state of good repair and in the case of freehold properties, the directors consider that the lives of these properties and their residual values are such that their depreciation is not significant. Accordingly, no depreciation is provided on freehold properties. This does not comply with SSAP 12.

LEASED ASSETS

Assets held under finance leases are capitalised and the resulting net obligations included in creditors. Depreciation on the relevant assets is provided on the straight line basis to write off the assets over the shorter of their useful lives and lease terms. Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease terms.

LITTLEWOODS OF LIVERPOOL LIMITEDSTATEMENT OF ACCOUNTING POLICIESDEPRECIATION

Depreciation is provided on the straight line basis to write off the cost or valuation of fixed assets over their anticipated useful lives at the following annual rates:

Freehold land and buildings	NIL
Leasehold land and building	The lesser of the remaining lease term or 100 years
Building fixtures & fittings	The lesser of the remaining lease term or 25 years
Plant, equipment and other fixtures & fittings	10.0 - 20.0%
Computers	16.7 - 33.3%
Motor vehicles	25.0%

GOVERNMENT GRANTS

Grants that relate to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the related asset's useful life.

DEFERRED TAXATION

Deferred taxation is provided under the liability method, unless it can be reasonably demonstrated that no liability will arise within the foreseeable future.

CASH FLOW

The cash flows of the company are included in the consolidated cash flow statement of The Littlewoods Organisation PLC, the holding company. Consequently, Littlewoods of Liverpool Limited is exempt from the requirements of FRS1 to prepare a separate cash flow statement.

LITTLEWOODS OF LIVERPOOL LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 19941. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	1994 £	1993 £
Profit on ordinary activities before taxation is stated after charging:		
Deprecation - owned assets	4,433,353	2,557,178
- assets held under finance leases	7,068	51,172
Hire of plant & machinery - operating leases		50
Hire of other assets - operating leases	444,127	373,081
Auditors' remuneration for audit	4,000	3,650

Remuneration of the company's auditors for provision of non-audit services to the company was £NIL

2. INCOME FROM OPERATING LEASES

	1994 £	1993 £
Rental of land and buildings	1,433,887	1,484,879
Other	4,864,649	3,088,856
Total income from operating leases	<u>6,298,536</u>	<u>4,573,735</u>

3. DIRECTORS AND EMPLOYEES

The company has no employees.

The remuneration of the directors for the year was £NIL (1993, NIL)

4. EXCEPTIONAL ITEMS

	1994 £	1993 £
Insurance proceeds in respect of building destroyed by fire	52,814	123,793
Revaluation deficit (see note 7)	(2,400,120)	-
	<u>(2,347,306)</u>	<u>123,793</u>

5. INTEREST

	1994 £	1993 £
Payable on finance leases	(344)	(2,345)
Receivable	4,266	47
Net interest	<u>3,922</u>	<u>(2,298)</u>

LITTLEWOODS OF LIVERPOOL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1994

6. TAXATION

	1994 £	1993 £
Tax based on the results for the year		
Corporation Tax at 33%	1,131,128	-
Deferred Tax at 33%	(372,082)	264,829
Group Relief	21,508	225,262
	<u>780,554</u>	<u>490,091</u>
Adjustments in respect of previous years		
Corporation tax	1,250	(137,157)
Deferred tax	88,392	67,475
Group Relief	(164,046)	209,849
	<u>706,150</u>	<u>630,258</u>

7. <u>TANGIBLE FIXED ASSETS</u>	Total £	Land and Buildings £	Fixtures, Fittings & Equipment £	Assets in Course of Construction £
COST OR VALUATION				
At 1.1.94	29,589,087	11,848,302	17,192,644	548,141
Additions	2,746,461	293,116	854,282	1,599,063
Disposals	(1,551,161)	(22,577)	(1,528,584)	-
Reclassification of assets	-	672,507	105,494	(778,001)
Revaluation	(2,400,120)	(2,400,120)	-	-
Depreciation written off against assets on revaluation	(44,179)	(44,179)	-	-
At 31.12.94	<u>28,340,088</u>	<u>10,347,049</u>	<u>16,623,836</u>	<u>1,369,203</u>
DEPRECIATION				
At 1.1.94	9,253,734	920,313	8,333,421	-
Charge for year	4,440,421	1,688,710	2,751,711	-
Disposals	(1,447,344)	(20,149)	(1,427,195)	-
Depreciation written off against assets on revaluation	(44,179)	(44,179)	-	-
At 31.12.94	<u>12,202,632</u>	<u>2,544,695</u>	<u>9,657,937</u>	<u>-</u>
NET BOOK VALUE				
31.12.94	<u>16,137,456</u>	<u>7,802,354</u>	<u>6,965,899</u>	<u>1,369,203</u>
31.12.93	<u>20,335,353</u>	<u>10,927,989</u>	<u>8,859,223</u>	<u>548,141</u>

One property with a net book value of £5,400,120 was revalued by Knight Frank & Rutley at 31.12.94 at a value of £3,000,000. Knight Frank & Rutley are independent Chartered Surveyors and the basis of their valuation is open market value for existing use.

LITTLEWOODS OF LIVERPOOL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1994

7. TANGIBLE FIXED ASSETS cont..

The cost or valuation at 31st December, 1994 is comprised as follows:

	Total £	Land & Buildings £	Fixtures, Fittings & Equipment £	Assets in Course of Construction £
At valuation by Knight Frank & Rutley at 31.12.91	1,650,000	1,650,000	-	-
At 31.12.94	3,000,000	3,000,000	-	-
At cost	23,690,088	5,697,049	16,623,836	1,369,203
	28,340,088	10,347,049	16,623,836	1,369,203

- ii) If the land and buildings had not been revalued they would have been included at the following amounts:

	1994 £	1993 £
Cost	12,795,816	11,852,770
Aggregate depreciation based on cost	(2,574,018)	(1,611,775)
	10,221,798	10,240,995

- iii) Land and buildings including their related building fixtures and fittings at net book value comprise:

	1994 £	1993 £
Freehold	3,000,000	5,235,925
Freehold and long leasehold	2,322,532	1,891,062
Long leasehold	49,883	1,382,639
Short leasehold	2,429,939	2,418,363
	7,802,354	10,927,989

- iv) The net book value of fixtures, fittings and equipment includes an amount of £2,978 (1993 £10,046) in respect of assets held under finance leases.

LITTLEWOODS OF LIVERPOOL LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 19948. DEBTORS

	1994 £	1993 £
Amounts falling due within one year		
Trade debtors	133,472	35,637
Amounts owed by fellow subsidiary undertakings	2,590,317	593,096
Other debtors	419	2,296,264
Prepayments and accrued income	99,398	119,796
	<u>2,823,606</u>	<u>3,034,793</u>

9. CREDITORS

	1994 £	1993 £
Amounts falling due within one year		
Obligations under finance leases	1,160	6,279
Trade creditors	485,634	324,209
Amounts owed to fellow subsidiary undertakings	2,103,638	6,935,278
Corporation Tax	1,131,128	(43,749)
Other taxation	488,603	-
	<u>4,210,163</u>	<u>7,222,017</u>
Amounts falling due after more than one year		
Obligations under finance leases	-	1,160
Accruals and deferred income - grants	546,000	-
	<u>546,000</u>	<u>1,160</u>

The grants were received in the year as a contribution towards the cost of recently constructed freehold land and buildings and associated fixtures and fittings. As it is the company's policy not to depreciate freehold land and buildings no portion of the grant has been released to the profit and loss account.

Obligations under finance leases

Net obligations under finance leases are payable as follows:

	1994 £	1993 £
Within one year	1,160	6,279
Between two and five years	-	1,160
	<u>1,160</u>	<u>7,439</u>

LITTLEWOODS OF LIVERPOOL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1994

10. <u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	1994 £	1993 £
Provision for deferred taxation		
Excess of taxation allowances over depreciation	1,856,333	2,140,023
	<u>1,856,333</u>	<u>2,140,023</u>

There are no potential liabilities to deferred taxation for which provisions have not been made.

The movements on the provisions in the year are as follows:

	Deferred Taxation £
As at 1st January, 1994	2,140,023
Released to profit and loss account	<u>283,690</u>
As at 31st December, 1994	<u>1,856,333</u>

11. CAPITAL & RESERVES

a) CALLED UP SHARE CAPITAL

	1994 £	1993 £
Authorised		
2,000,000 ordinary shares of £1 each	2,000,000	2,000,000
	<u>2,000,000</u>	<u>2,000,000</u>
<u>Allotted, called up and fully paid</u>		
2,000,000 ordinary shares of £1 each	2,000,000	2,000,000
	<u>2,000,000</u>	<u>2,000,000</u>

b) RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Share Capital £	Revaln. Reserve £	Profit and Loss Account £	1994 Total £	1993 Total £
At 1 January	2,000,000	397,264	11,609,682	14,006,946	13,189,867
(Loss)/Profit for the financial year	-	-	(1,658,380)	(1,658,380)	817,079
Transfer on disposal of revalued property	-	(385,456)	385,456	-	
At 31 December	<u>2,000,000</u>	<u>11,808</u>	<u>10,336,758</u>	<u>12,348,566</u>	<u>14,006,946</u>

LITTLEWOODS OF LIVERPOOL LIMITEDNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1994

12. <u>CAPITAL COMMITMENTS</u>	1994 £	1993 £
Contracts for capital expenditure not provided for in the accounts	89,442	517,813
Capital expenditure approved by the directors but not contracted	5,671,200	5,212,502

13. OTHER FINANCIAL COMMITMENTS

At 31st December, 1994 the company had annual commitments under non-cancellable operating lease as follows:

	1994		1993	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Expiring in less than 1 year	600	31,579	600	133,562
Expiring between 2 and 5 years	227,000	-	225,750	63,801
Expiring greater than 5 year	285,000	-	285,000	-
	512,600	31,579	511,350	197,363

14. IMMEDIATE AND ULTIMATE HOLDING COMPANIES

The immediate holding company is Littlewoods Leisure Limited which is registered in England and Wales.

The ultimate holding company is The Littlewoods Organisation PLC which is registered in England and Wales.