

**Peacock's Stores Limited  
and subsidiary undertakings**

**Directors' report and financial statements**

**For the fifteen months ended 31 March 1995**

**Registered number 290792**



# Peacock's Stores Limited

## Directors and Advisers

### Directors

R F Peacock (Chairman)  
H Child FCA (Managing Director)  
A J Woodhouse  
M S Bullas  
P L Baker ACMA, MiLog

### Non-Executive Directors

J Stewart  
R S Kirk

### Secretary

D Morgan ACA

### Registered Office

PO Box 24  
Cardiff  
CF1 8DG

### Bankers

Midland Bank plc  
Charterhouse Bank Limited  
Leopold Joseph & Sons Limited

### Auditors

KPMG  
Marlborough House  
Fitzalan Court  
Fitzalan Road  
Cardiff  
CF2 1TE

### Solicitors

Ashurst, Morris Crisp  
Broadwalk House  
5 Appold Street  
London  
EC2A 2HA

Rees Wood & Terry  
Wyndham House  
9 St Andrews Crescent  
Cardiff  
CF1 3DB

# Peacock's Stores Limited

## Directors' report and financial statements

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# Peacock's Stores Limited

## Directors' report

The directors present their report and the consolidated audited financial statements of the company and its subsidiary undertakings for the 15 months ended 31 March 1995, previous financial statements having been made up to 31 December.

## Principal activity

The principal activity of the group is that of proprietors of retail stores, selling a range of clothing for the family, household textiles and outdoor clothing and equipment.

## Business review

The results are as stated on page 6.

During the period the company changed its year end from 31 December to 31 March and accordingly presents its results for the fifteen month period ended 31 March 1995.

## Dividends and transfer to reserves

A first and final ordinary dividend of £102,500 is proposed amounting to £0.92 per share (*1993: £33,785 amounting to £0.30 per share*).

A dividend of £100,000 amounting to £3.70 per share was paid on the convertible cumulative participating preferred "A" ordinary shares. (*1993: £48,302, amounting to £1.79 per share*).

## Directors and directors' interests

The directors who served during the period were:

R F Peacock	Chairman		
H Child	Managing director		
A J Woodhouse			
M S Bullas			
P L Baker		-	appointed 1 March 1995
J M T Dawson	Non-executive	-	resigned 19 September 1994
J Stewart	Non-executive	-	appointed 19 September 1994

R S Kirk was appointed as a non-executive director on 15 June 1995.

# Peacock's Stores Limited

## Directors' report *(continued)*

The directors who held office at the end of the financial period had the following interests in the ordinary shares of the company as recorded in the register of directors' share and debenture interests:

	At 31 March 1995 Ordinary shares of 99p each	At 31 December 1993 Ordinary shares of 99p each	At 31 March 1995 Deferred shares of 1p each	At 31 December 1993 Deferred shares of 1p each
R F Peacock	68,818	68,818	75,580	75,580
H Child	25,000	25,000	25,000	25,000
A J Woodhouse	1,500	1,500	-	-

On 23 June 1994, M S Bullas was granted options in respect of 1,500 ordinary shares of 99p each, at £73.94 per share. The options may be exercised at any time until 23 June 2001.

On 1 March 1995, P L Baker was also granted options in respect of 1,500 ordinary shares of 99p each, at £73.94 per share. The options may be exercised at any time until 1 March 2002.

J Stewart had no interest in the shares of the company or its subsidiary undertakings, either at the date of his appointment or at 31 March 1995.

### Purchase of own shares

On 27 June 1994 the company purchased 4,000 of its own 99p ordinary shares, representing 3.5% of that class of shares, from three of its former directors at £76.48 per share. The aggregate nominal value of the shares purchased was £3,960 and the cash consideration paid was £305,920. The purchase was undertaken in order to retain control of the ordinary shares of the company within the ongoing management.

### Significant changes in tangible fixed assets

During the period, the group incurred expenditure of £4.6 million on additions to tangible fixed assets reflecting the continuing programme of opening new, and upgrading existing stores.

Details of the movements are given in note 12 to the financial statements.

### Market value of land and buildings

The directors consider that the market value of freehold and leasehold premises is not substantially different from book value. The cost of a professional valuation to demonstrate this is not considered to be justifiable.

# Peacock's Stores Limited

## Directors' report *(continued)*

### Employees

The group fully recognises its responsibility for the health, safety and welfare at work for all of its employees.

Full and fair consideration is given to the employment of disabled persons or persons who become disabled while in the group's employment and to their training, career development and promotion. Account is taken of their disability only insofar as it affects their ability to perform a job or has health and safety implications.

The group recognises the benefit of keeping employees informed of the progress of the business and of involving them in its performance. It is committed to developing and training all staff and has embarked on a programme for obtaining the national standard "Investors in People", and established an employee Profit Related Pay scheme.

### Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and group and of the profit or loss for that period. In preparing those financial statements, the directors are 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 disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

# Peacock's Stores Limited

## Directors' report *(continued)*

### Auditors

On 6 February 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name. A resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



H Child  
Director

P O Box 24  
Cardiff  
CF1 8DG

10 November 1995



Mariborough House  
Fitzalan Court  
Fitzalan Road  
Cardiff CF2 1TE

## Auditors' report to the members of Peacock's Stores Limited

We have audited the financial statements on pages 6 to 26.

### *Respective responsibilities of directors and auditors*

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 financial statements 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 financial statements.

### *Opinion*

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 March 1995 and of the loss of the group for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

15<sup>th</sup> November 1995

*Chartered Accountants  
Registered Auditors*



# Peacock's Stores Limited and subsidiary undertakings

## Consolidated profit and loss account

for the 15 months ended 31 March 1995

	Note	15 months to 31 March 1995	12 months to 31 December 1993 as restated
		£000	£000
Turnover	2	69,127	55,016
Cost of sales	3	(59,461)	(45,162)
<b>Gross profit</b>		<b>9,666</b>	<b>9,854</b>
Administrative expenses		(9,269)	(7,476)
Other operating income		490	410
<b>Operating profit</b>		<b>887</b>	<b>2,788</b>
Income from investments		4	5
Other interest receivable and similar income		73	56
Interest payable and similar charges	8	(932)	(687)
<b>Profit on ordinary activities before taxation</b>	4-7	<b>32</b>	<b>2,162</b>
Tax on profit on ordinary activities	9	(266)	(733)
<b>(Loss)/profit on ordinary activities after taxation being (loss)/profit for the financial period</b>	10	<b>(234)</b>	<b>1,429</b>
Dividends paid and proposed on equity and non-equity shares	11	(201)	(83)
<b>(Loss)/profit for the financial period transferred to reserves</b>	21	<b>(435)</b>	<b>1,346</b>

## Statement of total recognised gains and losses

for the period ended 31 March 1995

		15 months to 31 March 1995	12 months to 31 December 1993 as restated
		£000	£000
(Loss)/profit for the financial period		(234)	1,429
Currency translation differences on foreign currency net investments	21	(33)	9
Prior year adjustment	21	(109)	-
<b>Total recognised gains and losses relating to the period</b>		<b>(376)</b>	<b>1,438</b>

There was no material difference between the results as disclosed in the consolidated profit and loss account and those under an unmodified historical cost basis in either of the two periods ended 31 March 1995.

The prior year adjustment represents the cumulative effect to 31 December 1993 of the change in accounting policy as detailed in note 21.

# Peacock's Stores Limited and subsidiary undertakings

## Balance sheets

at 31 March 1995

	Note	The Group		The Company	
		31 March 1995	31 December 1993 as restated	31 March 1995	31 December 1993 as restated
		£000	£000	£000	£000
<b>Fixed assets</b>					
Tangible assets	12	19,949	18,060	15,512	14,086
Investment in subsidiary undertakings	13	-	-	2,079	2,079
Other investments	13	307	316	103	92
		<u>20,256</u>	<u>18,376</u>	<u>17,694</u>	<u>16,257</u>
<b>Current assets</b>					
Stocks	14	10,852	7,778	8,567	6,136
Debtors due within one year	15	2,881	3,519	3,722	5,475
Debtors due after more than one year	15	-	-	2,000	2,000
Cash at bank and in hand		119	402	112	109
		<u>13,852</u>	<u>11,699</u>	<u>14,401</u>	<u>13,720</u>
<b>Creditors: amounts falling due within one year</b>	16	(13,179)	(9,409)	(14,641)	(12,958)
<b>Net current assets/(liabilities)</b>		<u>673</u>	<u>2,290</u>	<u>(240)</u>	<u>762</u>
<b>Total assets less current liabilities</b>		<u>20,929</u>	<u>20,666</u>	<u>17,454</u>	<u>17,019</u>
<b>Creditors: amounts falling due after more than one year</b>	17	(4,109)	(3,029)	(4,109)	(3,020)
<b>Provisions for liabilities and charges</b>	18	(175)	(218)	(125)	(150)
<b>Net assets</b>		<u>16,645</u>	<u>17,419</u>	<u>13,220</u>	<u>13,849</u>
<b>Capital and reserves</b>					
Called up share capital	20	145	149	145	149
Share premium account		1,964	1,964	1,964	1,964
Revaluation reserve	21	4,440	4,475	2,912	2,947
Capital redemption reserve	21	991	987	991	987
Capital reserve		363	363	-	-
Profit and loss account	21	8,742	9,481	7,208	7,802
<b>Equity and non-equity shareholders' funds</b>	23	<u>16,645</u>	<u>17,419</u>	<u>13,220</u>	<u>13,849</u>

These financial statements were approved by the board of directors on 10 November 1995 and were signed on its behalf by:

  
R F Peacock  
Director

# Peacock's Stores Limited and subsidiary undertakings

## Consolidated cash flow statement

for the period ended 31 March 1995

	Note	31 March 1995		31 December 1993	
		£000	£000	£000	£000
<b>Net cash inflow from operating activities</b>	28		1,992		2,875
<b>Returns on investments and servicing of finance</b>					
Interest received, net of tax deducted at source		62		46	
Interest paid		(674)		(637)	
Interest element of finance lease rental payments		(100)		(84)	
Dividends received, net of tax credits		4		3	
Dividends paid		(134)		(48)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(842)		(720)
<b>Taxation</b>					
UK corporation tax paid		(553)		(558)	
Overseas tax paid		(2)		-	
Advance corporation tax paid		(114)		(145)	
<b>Tax paid</b>			(669)		(703)
<b>Investing activities</b>					
Payments, net of landlord contributions, to acquire tangible fixed assets		(4,346)		(1,991)	
Payments to acquire shares in listed companies		(21)		(10)	
Sale of tangible fixed assets		145		(49)	
Sale of shares in listed companies		17		18	
<b>Net cash outflow from investing activities</b>			(4,205)		(2,032)
<b>Net cash outflow before financing</b>			(3,724)		(580)
<b>Financing</b>					
Issue of new share capital		-		2,000	
Payment of expenses incurred on issuing new share capital		-		(169)	
Net proceeds from issue of new share capital		-		1,831	
Purchase of own shares		(306)		(500)	
Repayment of amounts borrowed		(2,700)		(1,400)	
New loan and lease financing		3,157		-	
Capital element of finance lease rental payments		(229)		(153)	
<b>Net cash outflow from financing</b>			(78)		(222)
<b>Decrease in cash and cash equivalents</b>	30		(3,802)		(802)

# Peacock's Stores Limited and subsidiary undertakings

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

The following accounting policies have been applied consistently, except where otherwise stated, in dealing with items which are considered material in relation to the company's financial statements.

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules, modified to include the revaluation of certain freehold properties. In 1995, all of the companies in the group made up their financial statements for the 15 months ended 31 March (1993: 53 weeks to 31 December) following a change in their accounting reference date.

#### *Basis of consolidation*

The consolidated financial statements deal with the results and state of affairs of the company and its subsidiary undertakings.

The premium or discount between the cost of acquiring shares in subsidiary undertakings and the value attributed to their net assets at the date of acquisition is dealt with through reserves.

A separate profit and loss account dealing with the results of the company only has not been presented as permitted under Section 230 of the Companies Act 1985.

#### *Tangible fixed assets and depreciation*

Depreciation has not been provided on freehold properties as it is the group's policy to maintain those assets in a continual state of sound repair and to extend and make improvements thereto from time to time. Accordingly the directors consider that the lives of these assets are so long, and residual values based on prices prevailing at the date of acquisition or subsequent valuation are such, that their depreciation is insignificant. Any permanent diminution in value of such properties is charged to profit and loss account as appropriate.

Depreciation is provided to write off the cost, less estimated residual value, of other tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Motor vehicles	-	4 years
Fixtures and fittings	-	8 years
Computer installation	-	4 years
Short term leasehold property	-	The shorter of 10 years or the life of the lease
Long term leasehold property	-	Up to a maximum of 50 years

The method of accounting for depreciation has been amended during the period from a full year's charge in the year of acquisition and no charge in the year of disposal to a depreciation charge on a monthly basis from the date of acquisition to disposal. The directors believe this to be a more appropriate method of charging depreciation. The effect of this amendment on the results for the period is a reduction in the depreciation charge of £412,000.

# Peacock's Stores Limited and subsidiary undertakings

## Notes (continued)

### 1 Accounting policies (continued)

#### *Investment properties*

In accordance with Statement of Standard Accounting Practice No 19:-

- investment properties are valued by the directors annually and any aggregate surplus or deficit is transferred to a revaluation reserve; and
- no depreciation is provided on investment properties.

This treatment, as regards the group's investment properties, may be a departure from the requirements of the Companies Act concerning depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

#### *Foreign currencies*

Overseas assets and liabilities included in the consolidated balance sheet are translated into sterling at the exchange rates ruling on the balance sheet date and overseas results are translated at the average rate of exchange applicable for the financial period. The resultant currency adjustments are dealt with as a movement in retained profit.

#### *Leases*

Where the group enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life. Future instalments under such leases, net of finance charges, are included within creditors. Interest charges implicit in the lease payments are charged to the profit and loss account over the lease term so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

#### *Reverse premiums and similar incentives*

In accordance with the requirements of UITF Abstract 12, reverse premiums and similar incentives are spread on a straight line basis over the lease term or over the period to the next rental review date at which the rental paid can reasonably be expected to have come into line with the relevant market rate. In prior years, rent free periods were recognised as they arose and reverse premiums were released over three years being the directors' best estimate of the time required to bring new stores fully on line. The effect of implementing the above was to reduce operating profit for the period by £325,000 (1993: £109,000).

As permitted by UITF Abstract 12, the new requirements have not been adopted in respect of lease agreements entered into prior to 1 January 1993.

# Peacock's Stores Limited and subsidiary undertakings

## Notes (continued)

### 1 Accounting policies (continued)

#### *Pension costs*

The group operates a number of pension schemes including a money purchase scheme and two defined benefit schemes for its various employees. These schemes are administered by trustees and their funds are held independently of the group's finances. Contributions to the defined benefit schemes are made in accordance with the advice of independent actuaries and are charged to the profit and loss account so as to produce an approximately constant periodic rate of charge over the estimated remaining service lives of the employees in the schemes. Contributions to the money purchase scheme are charged to the profit and loss account in the period in which they become payable.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value.

#### *Taxation*

Taxation liabilities are computed at the rates applicable to the financial period and that indicated for future periods by current legislation. Deferred tax is included to the extent that it is probable that an actual liability or asset will crystallise in the foreseeable future.

### 2 Turnover

Turnover comprises retail sales, excluding value added tax, and arises principally in the UK.

### 3 Cost of sales

Cost of sales includes the purchase of goods for resale and the costs of operating retail outlets.

### 4 Profit on ordinary activities before taxation

	1995	1993
<i>Profit on ordinary activities before taxation is stated</i>	<i>£000</i>	<i>£000</i>
<i>after charging/(crediting)</i>		
Auditors' remuneration and expenses:		
- audit services	45	45
- other services	114	354
Depreciation of tangible fixed assets:		
- owned	2,101	1,572
- finance leased	212	125
Land and buildings rentals	8,120	6,107
Other operating lease rentals	96	185
Directors' remuneration:-		
Salaries and other emoluments (including pension contributions) as executives	732	582
Compensation for loss of office	-	124
Loss/(profit) on foreign currency transactions	7	(31)
Rents receivable from property	(548)	(408)

# Peacock's Stores Limited and subsidiary undertakings

## Notes (continued)

### 5 Remuneration of directors

Excluding pension contributions, the emoluments for the fifteen months to 31 March 1995 of the chairman were £163,335 (1993, 12 months: £141,447) and those of the highest paid director £183,967 (1993, 12 months: £157,238). The emoluments, excluding pension contributions, of the directors (including that of the chairman and highest paid director) were within the following ranges:

		Number of directors	
		1995	1993
£Nil	- £5,000	2	1
£ 5,001	- £ 10,000	1	-
£ 65,001	- £70,000	-	1
£ 85,001	- £90,000	-	1
£ 90,001	- £95,000	1	-
£ 95,001	- £100,000	-	1
£105,001	- £110,000	1	1
£140,001	- £145,000	-	1
£155,001	- £160,000	-	1
£160,001	- £165,000	1	-
£180,001	- £185,000	1	-

Information relating to directors' share options is given under directors' share interests in the directors' report.

### 6 Directors' material interests in contracts and transactions

- (i) The group rents certain premises owned by the directors' pension scheme, the members of which include H Child and R F Peacock. The scheme charges arms length rentals based on market rates currently in force. The rentals charged during the year amounted to £89,000 (1993: £89,000).
- (ii) A J Woodhouse was provided with a temporary home loan of £127,000 at 8 February 1994. This was repaid in full on 30 March 1994.
- (iii) H Child's current account was £11,152 overdrawn at the period end (31 December 1993: £4,659 overdrawn) and reached a maximum of £46,499 overdrawn at 31 December 1994.

### 7 Staff numbers and costs

The average number of persons employed by the group (including directors) during the period, analysed by category, was as follows:

		Number of employees	
		1995	1993
Management		10	9
Administration		320	296
Other		1,870	1,718
		<u>2,200</u>	<u>2,023</u>

# Peacock's Stores Limited and subsidiary undertakings

## Notes (continued)

### 7 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follows:

	1995 £000	1993 £000
Wages and salaries	12,608	9,850
Social security costs	823	697
Other pension costs (see note 27)	321	280
	<u>13,752</u>	<u>10,827</u>

### 8 Interest payable and similar charges

	1995 £000	1993 £000
On bank loans, overdrafts and other loans wholly repayable within five years	830	594
Finance charges payable in respect of finance leases	100	83
Other interest	2	10
	<u>932</u>	<u>687</u>

### 9 Taxation

	1995 £000	1993 £000
UK corporation tax at 33% (1993: 33%) based on the profit for the period on ordinary activities	257	727
Tax attributable to franked investment income	1	2
Overseas taxation	-	4
Adjustment to prior years	8	-
	<u>266</u>	<u>733</u>

The rate of tax charge is significantly above the standard rate of corporation tax, primarily as a result of the incidence of expenditure which is ineligible for corporate tax relief.

### 10 (Loss)/profit for the financial period

The loss dealt with in the financial statements of the company was £122,000 (1993: a profit of £869,000).



# Peacock's Stores Limited and subsidiary undertakings

## Notes (continued)

### 11 Dividends paid and proposed on equity and non-equity shares

	1995 £000	1993 £000
Proposed	103	35
Overprovision in respect of 1993	(2)	-
	<hr/>	<hr/>
Equity shares	101	35
Non-equity shares	100	48
	<hr/>	<hr/>
	201	83
	<hr/>	<hr/>

### 12 Tangible fixed assets

Group	Freehold property £000	Long term leasehold property £000	Short term leasehold property £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
<i>Cost or valuation</i>						
At 1 January 1994	10,166	661	4,437	14,516	590	30,370
Additions	2	-	298	3,692	649	4,641
Disposals	(135)	-	(31)	(170)	(293)	(629)
Transfer to current assets	-	-	-	(142)	-	(142)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1995	10,033	661	4,704	17,896	946	34,240
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Analysis</i>						
Assets at cost	844	661	4,704	17,896	946	25,051
Assets at valuation	9,189	-	-	-	-	9,189
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	10,033	661	4,704	17,896	946	34,240
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>						
At 1 January 1994	-	300	2,596	9,162	252	12,310
Charge for year	-	31	413	1,663	206	2,313
Disposals	-	-	(25)	(149)	(158)	(332)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 1995	-	331	2,984	10,676	300	14,291
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>						
At 31 March 1995	10,033	330	1,720	7,220	646	19,949
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1993	10,166	361	1,841	5,354	338	18,060
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

# Peacock's Stores Limited and subsidiary undertakings

## Notes (continued)

### 12 Tangible fixed assets (continued)

Freehold properties held by Peacock's Stores Limited and its subsidiary undertaking, Dorsman Estates Company Limited, were revalued to amounts which, in the opinion of the directors, reflected their open market value as at 31 December 1991. The revalued amounts are based on independent valuations carried out by E J Hales, Chartered Surveyors, during March 1992.

Company	Freehold property £000	Long term leasehold property £000	Short term leasehold property £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
<i>Cost or valuation</i>						
At 1 January 1994	7,181	341	4,107	13,073	590	25,292
Additions	-	-	298	2,974	649	3,921
Disposals	(135)	-	(31)	(166)	(293)	(625)
Transfer to current assets	-	-	-	(142)	-	(142)
At 31 March 1995	7,046	341	4,374	15,739	946	28,446
<i>Analysis</i>						
Assets at cost	94	341	4,374	15,739	946	21,494
Assets at valuation	6,952	-	-	-	-	6,952
	7,046	341	4,374	15,739	946	28,446
<i>Depreciation</i>						
At 1 January 1994	-	219	2,425	8,310	252	11,206
Charge for year	-	25	374	1,454	206	2,059
Disposals	-	-	(25)	(148)	(158)	(331)
At 31 March 1995	-	244	2,774	9,616	300	12,934
<i>Net book value</i>						
At 31 March 1995	7,046	97	1,600	6,123	646	15,512
At 31 December 1993	7,181	122	1,682	4,763	338	14,086

The cost and net book value of freehold property under the historical cost accounting rules is as follows:

	Group		Company	
	1995 £000	1993 £000	1995 £000	1993 £000
Historical cost and net book value of freehold property	6,407	6,505	4,832	4,932

# Peacock's Stores Limited and subsidiary undertakings

## Notes (continued)

### 12 Tangible fixed assets (continued)

Included within fixtures and fittings are assets held under finance leases with net book values and corresponding depreciation charges as follows:

	Group		Company	
	1995	1993	1995	1993
	£000	£000	£000	£000
Net book value of assets held under finance leases	<u>772</u>	<u>671</u>	<u>755</u>	<u>629</u>
Corresponding depreciation charges for the period	<u>212</u>	<u>125</u>	<u>187</u>	<u>105</u>

### 13 Investments

#### i) In subsidiary undertakings:

	1995	1993
	£000	£000
Shares at valuation	<u>2,079</u>	<u>2,079</u>

At 31 March 1995, the company had the following subsidiary undertakings, all of which were wholly owned and incorporated in Great Britain and registered in England and Wales, with the exception of John Jones (Overseas) Limited, which was wholly owned and incorporated in Hong Kong.

All subsidiaries have been included in the consolidated group results.

Subsidiary	Activity
John Jones (Ago Wear) Limited	Importing agent
* John Jones (Overseas) Limited	Buying agent
Dorsman Estates Company Limited	Property management
Milletts (Camping and Countrywear) Limited	Retailing
* M J B Properties (Redbourn) Limited	Property management
Peacocks of Cheltenham Limited	Dormant
Peacocks of Cardiff Limited	Dormant
Peacocks Household Stores Limited	Dormant
* Milletts of St Albans (Management) Limited	Dormant
* Intrepid (Camping and Leisurewear) Limited formerly Milletts (Staines) Limited	Dormant
* indirectly owned	

# Peacock's Stores Limited and subsidiary undertakings

## Notes (continued)

### 13 Investments (continued)

#### ii) Other investments

	Group		Company	
	1995	1993	1995	1993
	£000	£000	£000	£000
<b>Property</b>				
Cost	<u>258</u>	<u>258</u>	<u>-</u>	<u>-</u>
Net book value				
At beginning of period	224	219	-	-
Currency adjustment	(20)	5	-	-
	<u>204</u>	<u>224</u>	<u>-</u>	<u>-</u>
At end of period	<u>204</u>	<u>224</u>	<u>-</u>	<u>-</u>
<b>Shares in listed companies</b>				
At beginning of period - at cost	86	93	86	93
Additions	21	10	21	10
Disposals	(10)	(15)	(10)	(15)
Provision for diminution in value	-	(2)	-	(2)
	<u>97</u>	<u>86</u>	<u>97</u>	<u>86</u>
At end of period - net book value	<u>97</u>	<u>86</u>	<u>97</u>	<u>86</u>
<b>Other investments at cost</b>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
	<u>307</u>	<u>316</u>	<u>103</u>	<u>92</u>

The market value of the listed shares was £95,000 at 31 March 1995 (1993: £84,000).

In the opinion of the directors, the market value of the investment property at 31 March 1995 and 31 December 1993 was equivalent to its carrying value at those dates.

### 14 Stocks

	Group		Company	
	1995	1993	1995	1993
	£000	£000	£000	£000
Goods for resale and consumables	<u>10,852</u>	<u>7,778</u>	<u>8,567</u>	<u>6,136</u>

# Peacock's Stores Limited and subsidiary undertakings

## Notes (continued)

### 15 Debtors

	Group		Company	
	1995	1993	1995	1993
	£000	£000	£000	£000
Due within one year:				
Trade debtors	5	12	-	-
Amounts owed by subsidiary undertakings	-	-	1,659	2,851
Other debtors	261	466	249	442
Advance corporation tax recoverable	496	479	25	9
Prepayments and accrued income	2,119	2,562	1,789	2,173
	<u>2,881</u>	<u>3,519</u>	<u>3,722</u>	<u>5,475</u>
Amounts owed by subsidiary undertakings due after more than one year			<u>2,000</u>	<u>2,000</u>

The amounts owed by subsidiary undertakings due after more than one year comprise two unsecured non-interest bearing loans.

### 16 Creditors: amounts falling due within one year

	Group		Company	
	1995	1993	1995	1993
	£000	£000	£000	£000
Bank loans (see note 17)	500	1,400	500	1,400
Bank overdrafts (see note 17)	4,703	1,184	4,354	1,184
Obligations under finance leases	189	141	179	97
Trade creditors	4,010	1,634	3,128	1,036
Amounts owed to subsidiary undertakings	-	-	3,663	4,900
Other creditors including taxation and social security:				
Corporation tax	1,146	1,546	906	1,308
Advance corporation tax payable	25	23	25	23
Overseas tax	-	2	-	-
Other taxes and social security	304	772	304	772
Other creditors	210	1,088	133	1,017
Accruals and deferred income	1,989	1,584	1,346	1,186
Proposed dividend	103	35	103	35
	<u>13,179</u>	<u>9,409</u>	<u>14,641</u>	<u>12,958</u>

# Peacock's Stores Limited and subsidiary undertakings

## Notes (continued)

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

	Group		Company	
	1995	1993	1995	1993
	£000	£000	£000	£000
Bank loans (see below)	3,500	2,500	3,500	2,500
Obligations under finance leases:				
Second to fifth years	609	529	609	520
	<u>4,109</u>	<u>3,029</u>	<u>4,109</u>	<u>3,020</u>

The bank loans are wholly repayable within five years. The company has agreed with its principal bankers to provide security for up to twenty-five percent of the total facilities provided to the group. At 31 March 1995 this security amounted to £3,375,000 (1993: £5,085,000) and took the form of a fixed charge over certain freehold properties.

### 18 Provisions

*These comprise:*

	Group		Company	
	1995	1993	1995	1993
	£000	£000	£000	£000
Branch refurbishment costs	150	168	100	100
Legal and professional fees	25	50	25	50
	<u>175</u>	<u>218</u>	<u>125</u>	<u>150</u>

The movements during the period were as follows:

	Group	Company
	£000	£000
At beginning of period	218	150
Transfer to profit and loss	(43)	(25)
	<u>175</u>	<u>125</u>

# Peacock's Stores Limited and subsidiary undertakings

## Notes (continued)

### 19 Deferred taxation

No provision for deferred taxation is considered necessary, the potential liability not recognised at 33 % being as follows:

	Group		Company	
	1995	1993	1995	1993
	£000	£000	£000	£000
Accelerated capital allowances	(260)	(251)	(354)	(218)
Short term timing differences	(276)	(124)	(210)	(99)
Capital gain on revaluation of freehold properties	189	330	-	93
Capital gains rolled over/held over against other fixed assets	881	881	785	785
	<u>534</u>	<u>836</u>	<u>221</u>	<u>561</u>

In the opinion of the directors any potential capital gains tax arising from the sale of tangible fixed assets at their book value will be rolled over against future additions. Accordingly, no provision for deferred taxation has been made.

Losses sustained by group undertakings are surrendered as group relief and paid for at the appropriate rate of UK corporation tax. No provision is made for deferred taxation on profits retained by overseas subsidiaries as, in the opinion of the directors, no significant liability will arise.

### 20 Called up share capital

	1995	1993
	£	£
<i>Authorised</i>		
2,500,000 ordinary shares of 99p each	2,475,000	2,475,000
2,500,000 deferred shares of 1p each	25,000	25,000
27,049 convertible cumulative participating preferred "A" ordinary shares of £1 each	27,049	27,049
	<u>2,527,049</u>	<u>2,527,049</u>
<i>Allotted, called up and fully paid</i>		
111,318 (1993: 115,318) ordinary shares of 99p each	110,205	114,165
759,924 deferred shares of 1p each	7,599	7,599
27,049 convertible cumulative participating preferred "A" ordinary shares of £1 each	27,049	27,049
	<u>144,853</u>	<u>148,813</u>

# Peacock's Stores Limited and subsidiary undertakings

## Notes *(continued)*

### 20 Called up share capital *(continued)*

- (i) On 27 June 1994 the company purchased 4,000 ordinary shares of 99p each, previously in issue, and representing 3.5% of that class of shares. The aggregate nominal value of the shares purchased was £3,960 and the cash consideration paid was £305,920. The shares were purchased from three former directors.

- (ii) The preferred shareholders are entitled to receive an annual dividend of 5% of the issue price of the shares in each year until 31 December 1995. Thereafter the dividend rights are as follows:

Year ending 31 December 1996 - the higher of 8% of the total issue price of the shares or 6.7% of the consolidated profit before tax.

Year ending 31 December 1997 - the higher of 8% of the total issue price of the shares or 8% of the consolidated profit before tax.

Year ending 31 December 1998 - the higher of 8% of the total issue price of the shares  
and thereafter or 9% of the consolidated profit before tax.

On a winding up of Peacock's Stores Limited the preferred shares would rank before both the deferred shares and ordinary shares and are repayable at their issue price.

In the event of a sale or a flotation of the share capital of Peacock's Stores Limited on the London Stock Exchange the preferred shares would be automatically converted to ordinary shares at a rate of one ordinary share for each preferred share.

The voting rights of the preferred shares vary according to circumstances detailed in a Subscription Agreement dated 30 June 1993 and can be exercised by the director appointed by the holders of the preferred shares.

- (iii) The deferred shares do not have dividend or voting rights. On a winding up of Peacock's Stores Limited, these shares would rank after the preferred shares but before the ordinary shares. In the event of a winding up, sale or flotation of the share capital of Peacock's Stores Limited on the London Stock Exchange, the deferred shareholders are entitled to receive £4 per share, increasing annually by 5% with effect from 1 January 1989.



# Peacock's Stores Limited and subsidiary undertakings

## Notes (continued)

### 21 Reserves

Group	Revaluation reserve £000	Capital redemption reserve £000	Profit and loss account £000
At 1 January 1994 as previously reported	4,475	987	9,590
Prior year adjustment (see below)	-	-	(109)
As restated	4,475	987	9,481
Purchase of own shares	-	4	(306)
Retained loss for the financial period	-	-	(435)
Currency translation differences on foreign currency net investments	-	-	(33)
Transfer from revaluation reserve	(35)	-	35
At 31 March 1995	4,440	991	8,742
Company	Revaluation reserve £000	Capital redemption reserve £000	Profit and loss account £000
At 1 January 1994 as previously reported	2,947	987	7,882
Prior year adjustment (see below)	-	-	(80)
As restated	2,947	987	7,802
Purchase of own shares	-	4	(306)
Retained loss for the financial year	-	-	(323)
Transfer from revaluation reserve	(35)	-	35
At 31 March 1995	2,912	991	7,208

The prior year adjustment represents the effect of the adoption of pronouncement UITF Abstract 12 "Lessee accounting for reverse premiums and similar incentives".

### 22 Goodwill

The cumulative amount of goodwill written off direct to the consolidated profit and loss account is £879,000 (1993: £879,000).

# Peacock's Stores Limited and subsidiary undertakings

## Notes (continued)

### 23 Analysis of equity and non-equity shareholders' funds

	Group		Company	
	1995	1993 as restated	1995	1993 as restated
	£000	£000	£000	£000
Deferred 1p shareholders' funds	8	8	8	8
Convertible cumulative participating preferred "A" ordinary shareholders' funds	1,831	1,831	1,831	1,831
Non-equity shareholders' funds	1,839	1,839	1,839	1,839
Equity shareholders' funds	14,806	15,580	11,381	12,010
Shareholders' funds	16,645	17,419	13,220	13,849

### 24 Movements in shareholders' funds

	Group		Company	
	1995	1993 as restated	1995	1993 as restated
	£000	£000	£000	£000
At 1 January	17,419	14,733	13,849	11,732
(Loss)/profit for the financial period	(234)	1,429	(122)	869
Dividends	(201)	(83)	(201)	(83)
Net proceeds from the issue of shares during the year	-	1,831	-	1,831
Purchase of own shares	(306)	(500)	(306)	(500)
Currency adjustment on consolidation	(33)	9	-	-
At 31 March (1993: 31 December)	16,645	17,419	13,220	13,849

### 25 Contingent liabilities

- (i) The company has given unlimited guarantees for the bank facilities provided to group undertakings by their bankers amounting to 25% of those facilities. The liabilities under these guarantees at 31 March 1995 amounted to £3,375,000 (1993: £5,085,000) including the company's own facilities, of which £2,088,000 (1993: £1,271,000) has been accounted for in the company's financial statements.
- (ii) Certain matters arising in the accounting records of the group relating to prior years have been reported to the Inland Revenue. Until these matters are resolved it is not possible to fully quantify the effect on the financial statements of the group although, in the opinion of the directors, any effect is not likely to be material in the context of the consolidated financial statements of the group.

# Peacock's Stores Limited and subsidiary undertakings

## Notes (continued)

### 26 Commitments

- (i) Capital commitments at the end of the financial period for which no provision has been made.

	Group		Company	
	1995 £000	1993 £000	1995 £000	1993 £000
Authorised but not contracted	<u>1,388</u>	<u>541</u>	<u>1,293</u>	<u>466</u>

- (ii) At 31 March (1993: 31 December) the company had annual commitments under non-cancellable operating leases as follows:

Group	1995		1993	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire:				
Within one year	136	10	198	10
In the second to fifth years inclusive	455	-	278	15
After more than five years	<u>5,451</u>	<u>-</u>	<u>5,313</u>	<u>-</u>
	<u>6,042</u>	<u>10</u>	<u>5,789</u>	<u>25</u>
Company	1995		1993	
	Land and buildings £000	Other £000	Land and buildings £000	Other £000
Operating leases which expire:				
Within one year	76	10	135	8
In the second to fifth years inclusive	252	-	149	5
After more than five years	<u>4,672</u>	<u>-</u>	<u>4,508</u>	<u>-</u>
	<u>5,000</u>	<u>10</u>	<u>4,792</u>	<u>13</u>

- (iii) At 31 March 1995 the group had outstanding commitments under forward exchange contracts and documentary letters of credit of £1,185,000 and £138,600 respectively (1993: £1,029,000 and £245,000 respectively).

# Peacock's Stores Limited and subsidiary undertakings

## Notes (continued)

### 27 Pensions

- (i) The group operates a number of pension schemes, the two main schemes being of the funded defined benefit type, the details of which are given below:

	The Peacock's Staff Pension Scheme	Milletts (Camping and Countrywear) Limited Pension Plan
Date of last valuation	1 September 1992	1 January 1992
Actuarial valuation at last valuation date, under the projected unit method	£2,049,000	£1,110,000
Surplus	£359,000 (21%)	£389,000 (54%)
Pension cost for 1995	<u>£150,000</u>	<u>£12,000</u>
Main assumptions:		
Investment return per annum	9%	9½%
Salary increases per annum	7%	8½%
Pension increases per annum	<u>5%</u>	<u>5%</u>

In accordance with the applicable accounting standard, the surplus on each fund has been spread over the average of the expected remaining service lives of current employees.

- (ii) In addition the group operates a money purchase pension scheme for the benefit of certain current and former directors, contributions to which are charged to the profit and loss account as they fall due. The pension costs charged in the period were £150,000 (1993: £48,000).

### 28 Reconciliation of operating profit to net cash inflow from operating activities

	1995 £000	1993 £000
Operating profit	887	2,788
Depreciation charge	2,313	1,697
Release of provision against investments in listed companies	-	(5)
Loss on sale of tangible fixed assets	152	101
Profit on sale of investments in listed companies	(7)	(3)
(Increase)/decrease in stocks	(2,932)	594
Decrease/(increase) in debtors	655	(154)
Increase/(decrease) in creditors and deferred income	980	(2,145)
Effect of foreign currency translation differences	(13)	2
Decrease in provisions	<u>(43)</u>	<u>-</u>
Net cash inflow from operating activities	<u>1,992</u>	<u>2,875</u>

# Peacock's Stores Limited and subsidiary undertakings

## Notes (continued)

### 29 Analysis of changes in financing

	Loans and finance lease obligations	Share capital (including premium)
	£000	£000
At 1 January 1993	6,115	289
Cash (outflow)/inflow from financing	(1,545)	1,824
At 1 January 1994	4,570	2,113
Cash (outflow) from financing	(129)	-
Inception of finance lease contracts on sale and leaseback	357	-
Transfer to profit and loss account	-	(4)
At 31 March 1995	4,798	2,109

### 30 Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1995	1993	Change in period
	£000	£000	£000
Cash at bank and in hand	119	402	(283)
Bank overdrafts	(4,703)	(1,184)	(3,519)
	(4,584)	(782)	(3,802)

### 31 Analysis of changes in cash and cash equivalents during the period

	£000
At 1 January 1994	(782)
Net cash outflow in the financial period	(3,802)
At 31 March 1995	(4,584)