

Company Registration Number 658774

**EUROPA FOODS LIMITED**  
**FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2000**

**FILING COPY**



# **EUROPA FOODS LIMITED**

## **FINANCIAL STATEMENTS**

**53 WEEKS ENDED 30 SEPTEMBER 2000**

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# EUROPA FOODS LIMITED

## OFFICERS AND PROFESSIONAL ADVISERS

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**Directors**

N M Patel  
J M Patel  
M M Patel

**Company secretary**

A G Patel

**Registered office**

Europa House  
Northolt Industrial Estate  
Rowdell Road  
Middlesex  
UB5 6AG

**Auditors**

Blick Rothenberg  
Chartered Accountants  
Registered Auditors  
12 York Gate  
Regent's Park  
London  
NW1 4QS

**Bankers**

Barclays Bank  
50 Pall Mall  
P O Box 15162  
London  
SW1A 1QB

**Solicitors**

Paisner & Co  
Bouverie House  
154 Fleet Street  
London  
EC4A 2DQ

# EUROPA FOODS LIMITED

## DIRECTORS' REPORT

### 53 WEEKS ENDED 30 SEPTEMBER 2000

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The directors have pleasure in presenting their report and the financial statements of the company for the 53 weeks ended 30 September 2000.

#### Principal activity and business review

The principal activity of the company continued to be that of retail grocers.

The results for the period and the financial position at the period end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

#### Results and dividends

The results for the 53 weeks and the company's financial position at the end of the 53 weeks are shown in the attached financial statements.

The directors have recommended the following dividends:

	2000 £	1999 £
Proposed dividends on ordinary shares	<u>900,000</u>	<u>650,000</u>

It is proposed to transfer the profit for the 53 weeks of £49,053 to reserves.

#### The directors and their interests in shares of the company

The directors who served the company during the 53 weeks were as follows:

N M Patel  
J M Patel  
M M Patel

The directors' interests in the share capital of the parent undertaking are shown in the financial statements of that company.

#### Fixed assets

The changes in fixed assets during the 53 weeks are explained in notes 9, 10 and 11 to the financial statements.

# **EUROPA FOODS LIMITED**

## **DIRECTORS' REPORT** *(continued)*

**53 WEEKS ENDED 30 SEPTEMBER 2000**

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### **Market value of land and buildings**

The directors are of the opinion that the market values of the properties are in excess of values shown in the financial statements, but they do not consider that the cost of a professional valuation would be justified at present.

### **Employee involvement**

Within the bounds of commercial confidentiality, information is disseminated to all members of staff about matters that affect the progress of the company and are of interest and concern to them as employees.

### **Disabled persons**

Disabled persons are employed by the company where they appear to be suited to a particular position. The aptitude and abilities of disabled persons are more easily met in certain aspects of the company's business and every effort is made to ensure that they are given full and fair consideration.

### **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 at the end of the 53 weeks and of the profit or loss for the 53 weeks then ended.

In preparing those financial statements, the directors are required to:

- select suitable accounting policies, as described on pages 8 to 9, 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; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# EUROPA FOODS LIMITED

## DIRECTORS' REPORT *(continued)*

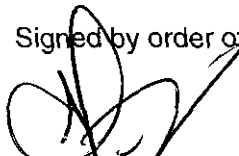
53 WEEKS ENDED 30 SEPTEMBER 2000

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### Auditors

A resolution to re-appoint Blick Rothenberg as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



A G PATEL  
Company Secretary

28 Sep 2001  
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# EUROPA FOODS LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS

53 WEEKS ENDED 30 SEPTEMBER 2000

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We have audited the financial statements on pages 6 to 17 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 9.

### Respective responsibilities of the directors and the auditors

As described on page 3, the company's directors are responsible for the preparation of the 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 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 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.

### Qualified opinion arising from disagreement about accounting treatment

As stated in note 1.11, investment properties (included in the balance sheet at £2,227,509) are stated at their historic cost rather than, as required by Statement of Standard Accounting Practice No 19 "Accounting for Investment Properties", at their open market values. We are unable to quantify the effect, if any, on reserves and tangible fixed assets of this non-compliance.

Except for the effect on the balance sheet of not including investment properties at their open market value, in our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 September 2000 and of the company's profit for the 53 week period then ended and have been properly prepared in accordance with the Companies Act 1985.

12 York Gate  
Regent's Park  
London  
NW1 4QS

28 September 2001



**BLICK ROTHENBERG**  
Chartered Accountants  
Registered Auditors

# EUROPA FOODS LIMITED

## PROFIT AND LOSS ACCOUNT

53 WEEKS ENDED 30 SEPTEMBER 2000

	Note	2000 £	1999 £
Turnover	2	27,502,047	29,265,905
Net operating expenses	3	(25,958,807)	(27,381,946)
Operating profit	5	1,543,240	1,883,959
Profit on disposal of properties		-	360,823
		1,543,240	2,244,782
Interest payable and similar charges (net)	6	(234,459)	(231,565)
Profit on ordinary activities before taxation		1,308,781	2,013,217
Tax on profit on ordinary activities	7	(359,728)	(621,137)
Profit on ordinary activities after taxation		949,053	1,392,080
Dividends	8	(900,000)	(650,000)
Retained profit for the financial 53 weeks	23	49,053	742,080

The company has no recognised gains or losses other than the results for the 53 weeks as set out above.

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



# EUROPA FOODS LIMITED

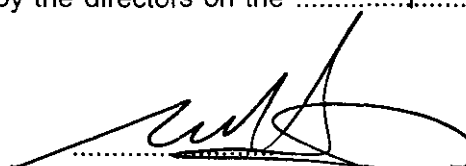
## BALANCE SHEET

30 SEPTEMBER 2000

	Note	2000 £	1999 £
<b>Fixed assets</b>			
Intangible assets	9	-	10,000
Tangible assets	10	7,265,248	5,113,913
Investments	11	60,800	60,800
		<u>7,326,048</u>	<u>5,184,713</u>
<b>Current assets</b>			
Stocks	12	911,379	965,242
Debtors	13	7,100,281	12,477,571
Investments	14	11,400	11,400
Cash at bank		2,121,602	1,279,124
		<u>10,144,662</u>	<u>14,733,337</u>
<b>Creditors: Amounts falling due within one year</b>	15	<u>(14,488,995)</u>	<u>(16,721,370)</u>
<b>Net current liabilities</b>		<u>(4,344,333)</u>	<u>(1,988,033)</u>
<b>Total assets less current liabilities</b>		<u>2,981,715</u>	<u>3,196,680</u>
<b>Creditors: Amounts falling due after more than one year</b>	16	<u>(2,714,324)</u>	<u>(2,978,342)</u>
		<u>267,391</u>	<u>218,338</u>
<b>Capital and reserves</b>			
Called-up equity share capital	22	100,000	100,000
Profit and loss account	23	167,391	118,338
<b>Shareholders' funds</b>	24	<u>267,391</u>	<u>218,338</u>

These financial statements were approved by the directors on the 28 Sep 2001 and are signed on their behalf by:

  
J M PATEL

  
M M PATEL

# EUROPA FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

53 WEEKS ENDED 30 SEPTEMBER 2000

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### 1. Accounting policies

#### 1.1 Basis of accounting

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

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services, net of value added tax.

#### 1.3 Amortisation

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

Purchased goodwill - over 20 years

#### 1.4 Depreciation

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

Freehold buildings	- 2% straight line
Short leasehold properties	- Over the period of the lease
Fixtures, fittings and equipment	- 15% straight line
Motor vehicles	- 25% straight line

#### 1.5 Stocks

Stocks in stores are valued by professional stocktakers at retail prices adjusted to the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

#### 1.6 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over the period of the lease.

#### 1.7 Pension costs

The pension cost charge represents the contributions payable by the company to the individual pension schemes, set up by the employees for themselves.

#### 1.8 Deferred taxation

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

#### 1.9 Group financial statements

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by section 228 of the Companies Act 1985. The company is a subsidiary undertaking of Adminstore Limited, a company incorporated in England and Wales, and is included in the consolidated financial statements of that company.

# EUROPA FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

53 WEEKS ENDED 30 SEPTEMBER 2000

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### 1. Accounting policies (*continued*)

#### 1.10 Repairs and renewals

Expenditure on repairs, renewals and certain equipment is written off in the year in which it is incurred.

Certain major items of fixed plant and structure are incorporated within the cost of freehold and leasehold property when purchased. When replaced, these are fully expensed as repairs and renewals in the profit and loss account.

#### 1.11 Investment properties

Investment properties are stated at their historic cost unless the directors consider that the benefit to be gained from valuing a property at its market value justifies the expense of commissioning an open market valuation, in which case the property will be stated at its open market value.

Since no up to date professional estimate of the open market value of the investment properties has been obtained, it is not possible to quantify the effect on the financial statements of this departure from Statement of Standard Accounting Practice No.19.

No depreciation is provided in respect of leasehold investment properties where the lease has over 20 years to run. Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary in order for the accounts to give a true and fair view.

#### 1.12 Current asset investments

Current asset investments are included in the financial statements at the lower of cost and estimated net realisable value. In the case of quoted investments, net realisable value is based on market value.

### 2. Turnover

The turnover is attributable to the principal activity of the company.

An analysis of turnover is given below:

	2000 £	1999 £
United Kingdom	<u>27,502,047</u>	<u>29,265,905</u>

### 3. Net operating expenses

	2000 £	1999 £
Change in stocks of finished goods	53,863	55,356
Other external charges	17,693,125	18,561,196
Staff costs	4,627,054	4,605,979
Depreciation, amortisation and disposal of fixed assets	313,155	282,108
Other operating charges	4,061,296	4,552,706
Other operating income	(789,686)	(675,399)
	<u>25,958,807</u>	<u>27,381,946</u>

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# EUROPA FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

53 WEEKS ENDED 30 SEPTEMBER 2000

### 4. Particulars of employees

The average number of staff, including the directors, employed by the company during the financial 53 weeks was:

	2000 Number	1999 Number
Administration	103	100
Shop assistants and warehouse	391	428
	<u>494</u>	<u>528</u>

The aggregate payroll costs of the above were:

	2000 £	1999 £
Wages and salaries	4,305,208	4,253,398
Social security costs	294,867	319,134
Other pension costs	26,979	33,447
	<u>4,627,054</u>	<u>4,605,979</u>

### 5. Operating profit

Operating profit is stated after charging/(crediting):

	2000 £	1999 £
Amortisation	10,000	10,000
Depreciation	303,155	272,108
Auditors' remuneration		
- as auditors	26,097	29,328
- for other services	48,874	44,426
Operating lease costs:		
- Land and buildings	1,796,249	1,765,153
Rent receivable	<u>(453,666)</u>	<u>(487,000)</u>

### 6. Interest payable (net)

	2000 £	1999 £
Interest payable on bank borrowing	286,240	279,685
Finance charges	5,725	1,186
Interest receivable	<u>(57,506)</u>	<u>(49,306)</u>
	<u>234,459</u>	<u>231,565</u>

# EUROPA FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

53 WEEKS ENDED 30 SEPTEMBER 2000

### 7. Tax on profit on ordinary activities

	2000 £	1999 £
In respect of the 53 weeks:		
Corporation tax based on the results for the 53 weeks at 30% (1999 - 31%)	498,808	621,137
Adjustment in respect of previous years:		
Corporation tax	(139,080)	-
	<u>359,728</u>	<u>621,137</u>

### 8. Dividends

The following dividends have been proposed in respect of the 53 weeks:

	2000 £	1999 £
Proposed dividends on equity shares	<u>900,000</u>	<u>650,000</u>

### 9. Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 26 September 1999 and 30 September 2000	<u>100,000</u>
<b>Amortisation</b>	
At 26 September 1999	90,000
Charge for the 53 weeks	<u>10,000</u>
At 30 September 2000	<u>100,000</u>
<b>Net book value</b>	
At 30 September 2000	-
At 25 September 1999	<u>10,000</u>

# EUROPA FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

53 WEEKS ENDED 30 SEPTEMBER 2000

### 10. Tangible fixed assets

	Land & buildings £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 26 September 1999	8,037,537	2,942,751	359,938	11,340,226
Additions	2,384,005	-	82,505	2,466,510
Disposals	-	-	(44,247)	(44,247)
<b>At 30 September 2000</b>	<b><u>10,421,542</u></b>	<b><u>2,942,751</u></b>	<b><u>398,196</u></b>	<b><u>13,762,489</u></b>
<b>Depreciation</b>				
At 26 September 1999	3,077,658	2,942,751	205,904	6,226,313
Charge for the 53 weeks	226,559	-	76,596	303,155
On disposals	-	-	(32,227)	(32,227)
<b>At 30 September 2000</b>	<b><u>3,304,217</u></b>	<b><u>2,942,751</u></b>	<b><u>250,273</u></b>	<b><u>6,497,241</u></b>
<b>Net book value</b>				
<b>At 30 September 2000</b>	<b><u>7,117,325</u></b>	<b><u>-</u></b>	<b><u>147,923</u></b>	<b><u>7,265,248</u></b>
At 26 September 1999	<u>4,959,879</u>	<u>-</u>	<u>154,034</u>	<u>5,113,913</u>

The net book value land and buildings is analysed as follows:

	2000 £	1999 £
Freehold property	4,156,357	4,088,117
Short leasehold property	733,459	871,762
Investment properties	<u>2,227,509</u>	<u>-</u>
	<b><u>7,117,325</u></b>	<b><u>4,959,879</u></b>

Investment properties are carried at cost which, in the opinion of the directors, is not materially different from market value.

# EUROPA FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

53 WEEKS ENDED 30 SEPTEMBER 2000

### 11. Investments

	Shares in subsidiary undertakings £	Unlisted investments £	Total £
<b>Cost</b>			
At 26 September 1999 and 30 September 2000	<u>2</u>	<u>60,798</u>	<u>60,800</u>
<b>Net book value</b>			
At 30 September 2000	<u>2</u>	<u>60,798</u>	<u>60,800</u>
At 25 September 1999	<u>2</u>	<u>60,798</u>	<u>60,800</u>

The directors are of the opinion that the current market value of the unlisted investments is not less than their cost.

### 12. Stocks

	2000 £	1999 £
Finished goods and goods for resale	<u>911,379</u>	<u>965,242</u>

### 13. Debtors

	2000 £	1999 £
Trade debtors	507,788	871,406
Amounts owed by group undertakings	4,676,543	9,568,247
Corporation tax repayable	1,330	-
Other debtors	527,137	598,139
Prepayments and accrued income	1,387,483	1,439,779
	<u>7,100,281</u>	<u>12,477,571</u>

### 14. Investments

	2000 £	1999 £
Other investments	<u>11,400</u>	<u>11,400</u>

#### Listed investments

Investments having a net book value of £3,900 (1999 - £3,900) are listed on a recognised stock exchange and had a market value of £3,900 at the end of the 53 weeks (1999 - £3,900).

# EUROPA FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

53 WEEKS ENDED 30 SEPTEMBER 2000

### 15. Creditors: Amounts falling due within one year

	2000 £	1999 £
Bank loans and overdrafts	3,957,208	1,351,554
Trade creditors	5,028,949	5,351,500
Expense creditors	557,092	626,535
Amounts owed to group undertakings	-	4,040,394
Corporation tax	-	431,947
Other taxation and social security	42,229	480,704
Other creditors	1,639,277	1,410,997
Accruals and deferred income	3,264,240	3,027,739
	<u>14,488,995</u>	<u>16,721,370</u>

The bank loans and overdrafts are secured by charges over the company's properties and cross guarantees of group undertakings.

### 16. Creditors: Amounts falling due after more than one year

	2000 £	1999 £
Bank loans and overdrafts	<u>2,714,324</u>	<u>2,978,342</u>

The bank loan repayable by instalments is at interest of 7.13% fixed rate and is due for repayment by September 2008.

The bank loans are secured by a fixed and floating charge over the company's assets.



# EUROPA FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

53 WEEKS ENDED 30 SEPTEMBER 2000

### 17. Loan maturity analysis

	2000 £	1999 £
Repayable by instalments wholly or partly in more than five years:		
Bank loans	2,597,336	2,831,756
Repayable other than by instalments in more than five years:		
Bank loan at variable rate due for repayment by April 2015	392,822	403,492
Wholly repayable within five years	1,500,000	-
	<u>4,490,158</u>	<u>3,235,248</u>
Due within 1 year	(1,775,834)	(256,906)
	<u>2,714,324</u>	<u>2,978,342</u>
<b>Maturity of debt</b>		
Between one and two years	296,156	275,834
Between two and five years	1,025,936	956,535
In five years or more	1,392,232	1,745,973
	<u>2,714,324</u>	<u>2,978,342</u>

### 18. Commitments under operating leases

At 30 September 2000 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & buildings 2000 £	Land & buildings 1999 £
Operating leases which expire:		
Within one year	-	217,699
Within two to five years	858,875	317,075
After more than five years	1,078,846	1,240,431
	<u>1,937,721</u>	<u>1,775,205</u>

### 19. Capital commitments

As at 30 September 2000 the company had authorised and contracted for future capital expenditure in the sum of £1,350,000.

# EUROPA FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

53 WEEKS ENDED 30 SEPTEMBER 2000

### 20. Contingencies

The company had guarantees of bank overdrafts and loans of group undertakings of £2,017,467 (1999: £1,630,500).

### 21. Related party disclosures

The company has taken advantage of the exemption afforded by Financial Reporting Standard 8 from disclosing transactions with related parties that are part of the Adminstore Limited group.

The following table details the transactions which took place during the year with related parties and the balances outstanding at the year end.

2000			
Name of related party (Name of director)	Operating costs £	Debtor £	Creditor £
Crispins Food and Wine (J M Patel)	-	24,174	-
J M Patel	195,931	-	200,000
Olivers Food and Wine (J M Patel, M M Patel)	-	139,673	-
Colorama Associates (N M Patel, M M Patel)	162,206	-	200,000
1999			
Name of related party (Name of director)	Operating costs £	Debtor £	Creditor £
Crispins Food and Wine (J M Patel)	-	109,783	-
J M Patel	204,458	-	200,000
Olivers Food and Wine (J M Patel, M M Patel)	-	360,927	-
Colorama Associates (N M Patel, M M Patel)	169,264	-	200,000

The above parties are related by virtue of the fact that the directors or their immediate families have an influence on them.

In addition to the above the company made a loan of £226,615 (1999: £226,615), to an entity of which J M Patel and M M Patel are directors. Neither J M Patel nor M M Patel hold any interest in this entity.

There is no ultimate controlling party.

# EUROPA FOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

53 WEEKS ENDED 30 SEPTEMBER 2000

### 22. Share capital

#### Authorised share capital:

	2000 £	1999 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

#### Allotted, called up and fully paid:

	2000 £	1999 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

### 23. Profit and loss account

	2000 £	1999 £
Balance brought forward	118,338	(623,742)
Retained profit for the financial 53 weeks	<u>49,053</u>	<u>742,080</u>
Balance carried forward	<u>167,391</u>	<u>118,338</u>

### 24. Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the financial 53 weeks	949,053	1,392,080
Dividends	<u>(900,000)</u>	<u>(650,000)</u>
	49,053	742,080
Opening shareholders' equity funds	<u>218,338</u>	<u>(523,742)</u>
Closing shareholders' equity funds	<u>267,391</u>	<u>218,338</u>

### 25. Ultimate parent undertaking

The parent undertaking for which group financial statements are drawn up and for which the company is a member is Adminstore Limited, incorporated in England, which the directors regard as being the ultimate parent company.

Copies of these group financial statements are available to the public from Companies House, Crown Way, Cardiff, CF4 3UZ.