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SIGNED) - - James - - DIRECTOR
W. B. Smith SECRETARY

G.U.S. MERCHANDISE CORPORATION LIMITED

DIRECTORS' REPORT

AND

ACCOUNTS

31st MARCH 1973

DELOITTE & CO.

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G.U.S. MERCHANDISE CORPORATION LIMITED

DIRECTORS' REPORT

The directors submit their report with the accounts of the company for the year ended 31st March 1973.

DIRECTORS DURING THE YEAR

L. G. Wolfson	Chairman
— R. Harris	Joint Managing Director
— G. A. Lodge	Joint Managing Director
— A. M. Blanc	
G. R. Harris	(resigned 31st May 1972)
D. Wolfson	
— T. G. Brassington	

Professor R. Smith and Mr. L. G. Speelman were appointed directors on 1st June 1973. Messrs. R. Harris, G. A. Lodge, T. G. Brassington and A. M. Blanc resigned on 1st July 1973 and Messrs. J. Farrar, A. D. Arbuckle, C. Aarons, A. G. Komrower, M. D. Mackirdy, J. Sterling, H. W. Wood and J. Woolfson were appointed directors on 1st July 1973.

ACTIVITIES

The company trades as wholesale warehousemen and merchants.

PROFIT AND APPROPRIATIONS

The profit for the year, after taxation, was £6,377,400. The directors propose a dividend of £4,245,000 and that the balance of £2,132,400 be carried to reserve.

EXPORTS

During the year ended 31st March 1973 no goods were exported from the United Kingdom by the company.

DIRECTORS' INTERESTS

Messrs. L. G. Wolfson, R. Harris, G. A. Lodge and D. Wolfson are directors of The Great Universal Stores Limited, of which the company is a wholly owned subsidiary.

G.U.S. MERCHANDISE CORPORATION LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS' INTERESTS (CONTINUED)

The following information is shown by the register kept by the company of the interests of all other persons, who at the end of the year were directors, in the shares of the company's ultimate holding company, The Great Universal Stores Limited:-

	<u>1st April 1972</u>		<u>31st March 1973</u>	
	<u>Stock units of 25p each</u>		<u>Stock units of 25p each</u>	
	<u>Ordinary</u>	<u>'A' Ordinary</u>	<u>Ordinary</u>	<u>'A' Ordinary</u>
A. M. Blanc	29	1,970	29	1,970
T. G. Brassington	NIL	NIL	NIL	NIL

At the relevant dates the directors named had no interests in any shares or debentures of the company or any other subsidiary of the company's ultimate holding company.

AUDITORS

Under the provisions of the Companies Act, 1948, the auditors, Messrs. Deloitte & Co., continue in office.

BY ORDER OF THE BOARD

M. A. BATTUP

Secretary

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REPORT OF THE AUDITORS
TO THE MEMBERS OF G.U.S. MERCHANDISE CORPORATION LIMITED

In our opinion, the accounts set out on pages 4 to 9 give a true and fair view of the state of the company's affairs at 31st March 1973 and of the profit for the year ended on that date and comply with the Companies Acts 1948 and 1967.

DELOITTE & CO.
Chartered Accountants

Manchester

17th October 1973

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G.U.S. MERCHANDISE CORPORATION LIMITED

BALANCE SHEET 31st MARCH 1973

	Notes	1973 £	1972 £
FIXED ASSETS	2	21,710	14,802
GROUP INTERESTS	4	32,517,208	21,404,222
		<u>32,538,918</u>	<u>21,419,024</u>
CURRENT ASSETS			
Stock	1	13,467,779	12,793,335
Debts and prepayments		75,578	15,506
Bank current accounts and cash		116,297	42,346
		<u>13,659,654</u>	<u>12,851,187</u>
CURRENT LIABILITIES			
Creditors and accrued charges		20,785,360	13,803,331
Taxation	3	5,930,594	4,101,667
Proposed dividend (gross)		4,245,000	3,260,000
		<u>30,960,954</u>	<u>21,164,993</u>
NET CURRENT LIABILITIES		<u>17,301,300</u>	<u>8,313,806</u>
		<u>£15,237,618</u>	<u>£13,105,218</u>
REPRESENTED BY:			
SHARE CAPITAL	5	500	500
RESERVES	6	15,237,118	13,104,718
		<u>£15,237,618</u>	<u>£13,105,218</u>

J. FARRAR

)

) Directors

D. WOLFSON

)

G.U.S. MERCHANDISE CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 1973

	<u>Notes</u>	<u>1973</u> £	<u>1972</u> £
TURNOVER	7	£174,945,803	£115,079,812
PROFIT BEFORE TAXATION	8	10,622,123	8,154,190
TAXATION	3	4,244,723	3,255,611
PROFIT FOR THE YEAR		6,377,400	4,898,579
PROPOSED DIVIDEND (GROSS)		4,245,000	3,260,000
RETAINED PROFIT FOR THE YEAR	6	£ 2,132,400	£ 1,638,579

G.U.S. MERCHANDISE CORPORATION LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 1973

1. ACCOUNTING POLICIES

a. STOCKS

Stocks have been valued at the lower of cost and estimated net realisable value. Cost does not include any overheads.

b. DEPRECIATION

Depreciation is calculated to write off the cost of fixed assets in equal annual instalments on the following bases:

Furniture, fixtures and fittings	10%
Plant and machinery	12½%
Office machinery	20%
Motor vehicles	25%

2. FIXED ASSETS

Fixtures, fittings,
equipment and
motor vehicles
£

COST

At 1st April, 1972	89,982
Additions	16,368
Disposals	(52,519)
	<u>53,831</u>
At 31st March 1973	

DEPRECIATION

At 1st April 1972	75,180
Provided in year	8,278
Eliminated in respect of disposals	(51,337)
	<u>32,121</u>
At 31st March 1973	

NET BOOK VALUES

At 31st March 1973	<u>£21,710</u>
At 31st March 1972	<u>£14,802</u>

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G.U.S. MERCHANDISE CORPORATION LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 1973

3. TAXATION

Liability

	<u>1973</u> £	<u>1972</u> £
Corporation tax payable 1st January 1974	4,245,000	3,262,000
Current taxation	1,685,594	839,662
	<u>£5,930,594</u>	<u>£4,101,662</u>

Charge for year

	£	£
Corporation tax at 40% based on the profit for the year (1972 - 40%)	4,245,000	3,262,000
Overprovision for taxation in respect of previous year	277	6,389
	<u>£4,244,723</u>	<u>£3,255,611</u>

4. GROUP INTERESTS

	<u>1973</u> £	<u>1972</u> £
Amounts owing by fellow subsidiary companies	42,125,029	27,850,307
Amount owing to holding company	-	(312)
Amounts owing to fellow subsidiary companies	(9,607,821)	(6,445,773)
	<u>£32,517,208</u>	<u>£21,404,222</u>

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G.U.S. MERCHANDISE CORPORATION LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 1973

5. SHARE CAPITAL

	<u>1973</u>	<u>1972</u>
	£	£
Authorised		
500 Ordinary shares of £1 each	500	500
500 8% Redeemable cumulative participating preference shares of £1 each	500	500
	<u>£1,000</u>	<u>£1,000</u>
Issued and fully paid		
500 Ordinary shares of £1 each	<u>£ 500</u>	<u>£ 500</u>

6. RESERVES

	£	£
Share premium account		4,637,329
<u>Less:</u> Goodwill on the acquisition of the business and undertaking of a fellow subsidiary company		<u>25,386</u>
		4,611,943
Capital redemption reserve fund		500
Profit and loss account		
At 1st April 1972	8,492,275	
Retained profit for year	<u>2,132,400</u>	
At 31st March 1973		<u>10,624,675</u>
		<u>£15,237,118</u>

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G.U.S. MERCHANDISE CORPORATION LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31st MARCH 1973

7. TURNOVER

Turnover is the amount receivable for goods sold to customers and includes purchase tax.

	<u>1973</u>	<u>1972</u>
	£	£
Sales to external customers		
amounted to	414,367	337,933
Inter group sales amounted to	174,531,436	114,741,879
	<u>£174,945,803</u>	<u>£115,079,812</u>

PROFIT BEFORE TAXATION

Profit before taxation is stated after charging:

	<u>1973</u>	<u>1972</u>
	£	£
Depreciation	8,278	5,776
Auditors' remuneration (including		
£1,000 in respect of underprovision		
in previous year)	<u>6,000</u>	<u>4,250</u>

None of the directors received any emoluments from the company during the year (1972 - Nil).

9. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is The Great Universal Stores Limited, which is incorporated in Great Britain.