

ARCTIC CASH AND CARRY LIMITED

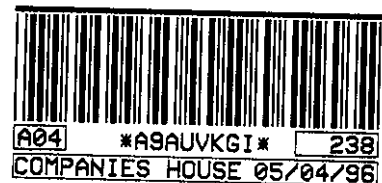
Company No. 1112492

REPORTS AND ACCOUNTS FOR THE

YEAR ENDED 10TH JUNE 1995

C.C.JENKINS & PARTNERS

CERTIFIED ACCOUNTANTS



ARCTIC CASH AND CARRY LIMITED

SPECIAL AUDIT REPORT TO THE DIRECTORS

In our opinion, the Directors are entitled, under Section 247- 9 of the Companies Act 1985 to deliver modified financial statements in respect of the year ended 10th June 1995 and in particular, the modified statements have been properly prepared under Schedule 8 of the Act.

We are not required to express an audit opinion on the modified accounts. We reproduce below our audit report to the members of the company on the financial statement (not appended hereto) for the year ended 10th June 1995 as follows:-

We have audited the financial statements on pages 4 to 6 d which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on Page 6a.

Respective responsibilities of directors and auditors

As described on page 2 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 have conducted our audit on accordance with Auditing Standards issued by the Auditing Practices Board. An audit included 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 as to whether 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. In forming our opinion we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the inherent uncertainty as to the continuation and the renewal of the company's overdraft facility. In view of the matters referred to above and in note 1 we consider that there is a significant level of concern as to the appropriateness of the going concern basis and that this inherent uncertainty is fundamental to the financial statements as a whole. However, our opinion is not qualified in this respect and on the basis of our discussions with the directors and other information we obtained during our audit, we consider that it is appropriate for the directors to prepare the financial statements on a going concern basis.

Qualified opinion arising from disagreement about accounting treatment

Included in the debtors shown in the balance sheet is an amount of £27351 due from companies which have ceased trading. Artic Cash and Carry Ltd. has no security for these debts. In our opinion the company is unlikely to receive any payment and full provision of £27351 should have been made, increasing the loss before tax and increasing excess liabilities by that amount. Except for the absence of this provision, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 10th June 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


C.C. Jenkins & Partners
Certified Accountants &
Registered Auditor

34-35, Tydraw Street,
Port Talbot,
15th March 1996

ARCTIC CASH AND CARRY LIMITED

BALANCE SHEET
AS AT 10TH JUNE 1995

	<u>1995</u>	<u>1994</u>
	£	£
FIXED ASSETS		
Tangible assets	8,213	15,112
CURRENT ASSETS		
Stock	12,975	10,042
Debtors	32,522	38,552
Cash at bank and in hand	192	382
	<u>45,689</u>	<u>48,976</u>
Creditors - amounts falling due within one year		
Bank overdrafts	16,772	6,222
Trade creditors	25,360	24,176
Sundry creditors	7,718	6,984
	<u>49,850</u>	<u>37,382</u>
NET CURRENT (LIABILITIES)/ASSETS	(4,161)	11,594
TOTAL ASSETS LESS CURRENT LIABILITIES	4,052	26,706
Creditors - amounts falling due after more than one year		
	26,668	33,564
	<u>(22,616)</u>	<u>(6,858)</u>
<u>CAPITAL AND RESERVES</u>		
Called up Share Capital	1,000	1,000
Reserves		
Profit and loss account	(23,616)	(7,858)
Shareholder's Funds	<u>(22,616)</u>	<u>(6,858)</u>

We have relied on the exemption for individual accounts available under the Companies Act 1985 and have done so on the basis that the company is entitled to the benefit of those exemptions as a small company.

..... J.F. Suter)
..... J.J. Suter) DIRECTORS

ARCTIC CASH AND CARRY LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 10TH JUNE 1995

STATEMENT OF ACCOUNTING POLICIES

Accounting Convention

These financial statements have been prepared in accordance with the historical cost convention. The principle accounting policies which the directors have adopted within that convention are set out below.

Turnover

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts.

Tangible Fixed Assets and Depreciation

Depreciation has been provided in order to write off the cost of fixed assets over their estimated useful lives using the reducing balance basis as follows :-

Alterations to Property	Over term of lease
Plant and Machinery	20%
Fixtures and Fittings	10%
Motor Vehicles	25%

Stock

Stock is valued at the lower of cost and net realisable value by the directors.

Pensions

The company operates defined benefit, externally funded pension schemes covering the directors. Contributions are normally charged against profits as the contributions are made.

Hire Purchase

Assets held under Hire Purchase Agreements have been capitalised at their values and have been depreciated over their estimated useful lives on a straight line basis in accordance with the Statement of Standard Accounting Practice Number 21. The related interest charges are allocated to the Profit and Loss Account on a straight line basis.

Going Concern

The accounts have been drawn up on the going concern basis. The company meets its day to day working capital requirements through an overdraft facility of £13000 which in common with all such facilities is repayable on demand. The facility was renewed on the 11th November 1995 and in view of the relationship the director has with the company's bankers they consider it reasonable to rely on the continuation of the facility. The other major creditor is the directors with loans to the company of £29152 at the balance sheet date. The directors have indicated that these loans will not be collected unless the company is in an improved position to pay them. Therefore, if the going concern basis were not appropriate, adjustment would have to be made to reduce the value of the asset to their recoverable amount, to provide for any further liabilities that might arise and to reclassify fixed assets as current assets and long term liabilities as current liabilities.

ARTIC CASH AND CARRY LIMITED

NOTES OF ACCOUNTS FOR THE YEAR ENDED 10TH JUNE 1995

Notes

1. CREDITORS - Ammounts falling due after more than one year.

	1995 £	1994 £
Directors Loan Account	26,668	33,564

2. SHARE CAPITAL

	1995 £	1994 £
Ordinary Share Capital of £1 each:		
Authorised	1,000	1,000
Issued	1,000	1,000

3. AUDITORS REMUNERATION

	1995 £	1994 £
	1,200	1,050

4. TANGIBLE ASSETS

<u>COST</u>	Motor Vehicles £	Plant and Equipment £	Fixtures and Fittings £	Land and Buildings £	TOTAL £
At 8th June 1994	18,560	26,353	8,253	2,682	55,848
Disposals	(9,864)	-	-	-	(9,864)
At 10th June 1995	8,696	26,353	8,253	2,682	45,984
<u>DEPRECIATION</u>					
At 8th June 1994	11,710	22,546	3,798	2,682	40,736
Charge for the Year	1,712	952	1,114	-	3,778
Withdrawn on Disposals	(6,743)	-	-	-	(6,743)
At 10th June 1995	6,679	23,498	4,912	2,682	37,771
<u>NET BOOK VALUE</u>					
At 10th June 1995	2,017	2,855	3,341	-	8,213
At 10th June 1994	6,850	3,807	4,455	-	15,112