



**DOVER SHIPS STORES LIMITED**

**Report and Financial Statements**

**31 January 1995**





**REPORT AND FINANCIAL STATEMENTS 1995**

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**REPORT AND FINANCIAL STATEMENTS 1995**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

J D Burden  
J E Payne  
R Snelling

**SECRETARY**

R Snelling

**REGISTERED OFFICE**

Unit 4,  
Coombe Valley Industrial Estate  
Holmestone Road  
Dover  
Kent CT17 0UF

**BANKERS**

National Westminster Bank Plc  
Buckland, Dover Branch  
124 High Street  
Dover  
Kent CT16 1EQ

TSB Commercial Finance Limited  
Boston House  
The Little Green  
Richmond  
Surrey TW9 1QE

**SOLICITORS**

Bradleys Solicitors  
19 Castle Street  
Dover  
Kent  
CT16 1PU

**AUDITORS**

Touche Ross & Co.  
Chartered Accountants  
Hill House  
1 Little New Street  
London EC4A 3TR



## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 January 1995.

### **ACTIVITIES**

The company's principal activity is that of ship chandlers and wholesalers of foodstuffs.

### **REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

Trading conditions remained difficult, and whilst turnover increased, due mainly to opening a new outlet, pressure on margins continued, and operating costs also increased. The company is poised to take advantage of any improvement in its markets.

The directors consider the present position to be satisfactory.

### **RESULTS AND DIVIDENDS**

The results for the year are set out on page 6.

The directors recommend the payment of a dividend of £60,000 (1994 - £100,000).

It is proposed that the retained profit of £29,784 (1994 - £39,861) is transferred to reserves.

### **DIRECTORS AND THEIR INTERESTS**

The current directors, all of whom served throughout the year, are shown on page 1. The directors' interests in the ordinary share capital of the company were as follows:

	Number of shares	
	31 January 1995	31 January 1994
J D Burden	-	-
J E Payne	2,500	2,500
R Snelling	1,250	1,250

Mr J D Burden is also a director of the ultimate parent company, James Burden (Holdings) Limited, and his interests in the shares of group companies are shown in the financial statements of that company.

### **FIXED ASSETS**

The movements in fixed assets during the year are set out in note 8 to the accounts.

### **CLOSE COMPANY STATUS**

So far as the directors are aware, the company is a close company for taxation purposes.



## **DIRECTORS' REPORT**

### **AUDITORS**

Touche Ross & Co. have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

**R SNELLING**

Secretary

30 November 1995

**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 as at the end of the financial year and of the profit or loss of the company 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;
- prepare the financial statements on a 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. They 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.



## Chartered Accountants

Touche Ross & Co.  
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1 Little New Street  
London EC4A 3TR

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## AUDITORS' REPORT TO THE MEMBERS OF DOVER SHIPS STORES LIMITED

We have audited the financial statements on pages 6 to 16 which have been prepared under the accounting policies set out on page 10.

### Respective responsibilities of directors and auditors

As described on page 4 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 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.

### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Touche Ross & Co.*

Touche Ross & Co.  
Chartered Accountants and Registered Auditors

30 November 1995



**PROFIT AND LOSS ACCOUNT**

**Year ended 31 January 1995**

	Note	Continuing operations	
		1995	1994
		£	£
<b>TURNOVER</b>	1,2	12,088,654	11,732,133
Cost of sales		(9,595,472)	(9,304,114)
Gross profit		2,493,182	2,428,019
Distribution costs		(1,529,946)	(1,436,036)
Administrative expenses		(764,973)	(718,018)
<b>OPERATING PROFIT</b>		198,263	273,965
Interest payable and similar charges	4	(65,238)	(60,025)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	5	133,025	213,940
Tax on profit on ordinary activities	6	(43,241)	(74,079)
<b>PROFIT FOR THE YEAR</b>		89,784	139,861
Dividends	7	(60,000)	(100,000)
<b>PROFIT RETAINED FOR THE YEAR</b>		29,784	39,861
Retained profit brought forward		389,268	349,407
Retained profit carried forward		419,052	389,268

There were no recognised gains and losses for the current financial period and preceding financial period other than as stated in the profit and loss account.

There were no movements in shareholders' funds for the current financial period and preceding financial period other than the profit retained for the period.





**BALANCE SHEET**  
**31 January 1995**

	Note	1995 £	1994 £
<b>FIXED ASSETS</b>			
Tangible assets	8	653,495	587,570
<b>CURRENT ASSETS</b>			
Stocks	9	568,460	480,281
Debtors	10	1,295,236	1,334,496
Cash at bank and in hand		1,935	3,291
		<u>1,865,631</u>	<u>1,818,068</u>
<b>CREDITORS: amounts falling due within one year</b>	11	(1,821,205)	(1,792,301)
<b>NET CURRENT ASSETS</b>		44,426	25,767
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		697,921	613,337
<b>CREDITORS: amounts falling due after more than one year</b>	12	(190,671)	(133,064)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	13	(63,198)	(66,005)
		<u>444,052</u>	<u>414,268</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	25,000	25,000
Profit and loss account		419,052	389,268
<b>Total shareholders' funds - all equity</b>		<u>444,052</u>	<u>414,268</u>

These financial statements were approved by the Board of Directors on 30 November 1995.

Signed on behalf of the Board of Directors

J D BURDEN Director



**CASH FLOW STATEMENT**

**Year ended 31 January 1995**

	Note	1995 £	1994 £
<b>Net cash inflow from operating activities</b>	1	<u>494,097</u>	<u>180,783</u>
<b>Returns on investments and servicing of finance</b>			
Interest paid on bank loans and overdrafts		(36,993)	(37,687)
Interest element of finance lease rentals		(28,245)	(22,338)
Dividends paid		<u>(100,000)</u>	<u>-</u>
<b>Net cash outflow from returns on investments and servicing of finance</b>		<u>(165,238)</u>	<u>(60,025)</u>
<b>Tax paid</b>			
Corporation tax paid (including advance corporation tax)		<u>(79,783)</u>	<u>(50,253)</u>
<b>Investing activities</b>			
Payments to acquire tangible fixed assets		(19,652)	(152,987)
Receipts from disposal of fixed assets		<u>9,035</u>	<u>3,148</u>
<b>Net cash outflow from investing activities</b>		<u>(10,617)</u>	<u>(149,839)</u>
<b>Net cash outflow before financing</b>		<u>238,459</u>	<u>(79,334)</u>
<b>Financing</b>			
Capital element of finance lease rentals	4	<u>(107,718)</u>	<u>(90,815)</u>
<b>Net cash outflow from financing</b>		<u>(107,718)</u>	<u>(90,815)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>	2, 3	<u><u>130,741</u></u>	<u><u>(170,149)</u></u>



**NOTES TO THE CASH FLOW STATEMENT**

**Year ended 31 January 1995**

**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	1995 £	1994 £
Operating profit	198,263	273,965
Depreciation	170,955	161,192
(Profit)/loss on disposal of fixed assets	(9,028)	(3,179)
Increase in stocks	(88,179)	(153,288)
Decrease(increase) in debtors	39,275	(282,865)
Increase in creditors	182,811	184,958
	<u>494,097</u>	<u>180,783</u>

**2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR**

	£
Balance at 1 February 1994	(582,827)
Net cash outflow	<u>130,741</u>
Balance at 31 January 1995	<u>(452,086)</u>

**3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS**

	1995 £	1994 £	Change in year £
Cash at bank and in hand	1,935	3,292	(1,357)
Bank overdraft	<u>(454,021)</u>	<u>(586,119)</u>	<u>132,098</u>
	<u>(452,086)</u>	<u>(582,827)</u>	<u>130,741</u>

**4. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR**

	Finance lease obligations £
Balance at 1 February 1994	209,193
Cash outflows from financing	(107,718)
Inception of finance lease contracts	<u>217,236</u>
Balance at 31 January 1995	<u>318,711</u>

**NOTES TO THE ACCOUNTS****Year ended 31 January 1995****1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Depreciation of tangible fixed assets**

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Long-term leasehold improvements	Over the term of the lease
Plant and machinery	10% - 20% per annum
Motor vehicles	25% per annum

**Stocks**

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

**Deferred taxation**

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

**Leases**

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The excess of the lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation. The assets are depreciated in line with company policy.

Rental costs under operating leases are charged to profit and loss account in equal annual amounts over the periods of the leases.

**Pension costs**

A defined contribution scheme is operated by the parent company and the costs are recharged to the individual companies on an accruals basis. Disclosure relating to the scheme is given in the financial statements of the parent company.

**Turnover**

Turnover comprises sales to third parties, exclusive of value added tax.



**NOTES TO THE ACCOUNTS**

**Year ended 31 January 1995**

**2. TURNOVER**

All transactions, which represent one class of business, were concluded in the United Kingdom.

**3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	1995 £	1994 £
Directors' emoluments	199,692	140,125
Remuneration of the highest paid director	114,168	67,884
The number of directors, excluding the highest paid director, whose remuneration fell within the following ranges were:	No.	No.
£ 0 - £ 5,000	1	1
£45,001 - £50,000	-	1
£65,001 - £70,000	1	-
	£	£
<b>Staff costs</b>		
Wages and salaries	811,785	747,211
Social security costs	75,255	72,486
Other pension costs	27,335	26,857
	914,375	846,554
	No.	No.
<b>Average number of persons employed</b>		
Sales and distribution	65	66
Administration	13	13
	78	79

**4. INTEREST PAYABLE AND SIMILAR CHARGES**

	1995 £	1994 £
Bank interest on overdrafts	36,993	37,687
Finance charges - finance leases and hire purchase obligations	28,245	22,338
	65,238	60,025



**NOTES TO THE ACCOUNTS**

**Year ended 31 January 1995**

**5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	1995 £	1994 £
Profit on ordinary activities before taxation is after charging:		
Auditors' remuneration - audit fees	14,000	13,000
Rentals under operating leases		
- hire of equipment	44,039	41,641
- other operating leases	255,972	232,654
Depreciation	170,955	161,192
	<u>170,955</u>	<u>161,192</u>

**6. TAX ON PROFIT ON ORDINARY ACTIVITIES**

The tax charge on the profit on ordinary activities for the year was as follows:

	1995 £	1994 £
UK corporation tax at 33 % (1994 - 33%)	20,680	49,150
Group relief	26,905	13,037
Deferred taxation	(4,307)	9,811
	<u>43,278</u>	<u>71,998</u>
Adjustment in respect of prior years	(37)	2,081
	<u>43,241</u>	<u>74,079</u>

**7. DIVIDENDS**

	1995 £	1994 £
Final dividend proposed: £2.40 per ordinary share (1994 - £4.00 per share)	60,000	100,000
	<u>60,000</u>	<u>100,000</u>



**NOTES TO THE ACCOUNTS**  
**Year ended 31 January 1995**

**8. TANGIBLE FIXED ASSETS**

	Long leasehold land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost:				
At 1 February 1994	59,427	1,104,598	174,488	1,338,513
Additions	2,230	202,558	32,100	236,888
Disposals	-	(29,654)	(58,814)	(88,468)
At 31 January 1995	61,657	1,277,502	147,774	1,486,933
Depreciation:				
At 1 February 1994	16,648	618,887	115,408	750,943
Charge for year	6,109	136,248	28,598	170,955
Disposals	-	(29,653)	(58,807)	(88,460)
At 31 January 1995	22,757	725,482	85,199	833,438
Net book value:				
At 31 January 1995	38,900	552,020	62,575	653,495
At 31 January 1994	42,779	485,711	59,080	587,570

The net book value of the company's fixed assets includes £369,898 (1994 - £231,246) in respect of assets held under finance lease and hire purchase contracts.

**9. STOCKS**

	1995 £	1994 £
Goods held for resale	568,460	480,281

The replacement cost of stocks is not materially different to the balance sheet amount.

**10. DEBTORS**

	1995 £	1994 £
Trade debtors	1,098,918	1,038,925
Amounts owed by fellow subsidiaries	-	155,189
Other debtors	37,146	24,216
Corporation tax recoverable	19,733	19,718
Prepayments and accrued income	139,439	96,448
	1,295,236	1,334,496



**NOTES TO THE ACCOUNTS**  
**Year ended 31 January 1995**

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1995 £	1994 £
Bank loans and overdrafts	454,021	586,119
Obligations under finance leases and hire purchases contracts	128,040	76,129
Trade creditors	980,167	726,115
Amounts owed to parent company	133,983	195,116
Corporation tax	19,180	52,900
Taxation and social security	13,232	19,656
Sundry creditors and accruals	32,582	36,266
Proposed dividend	60,000	100,000
	<u>1,821,205</u>	<u>1,792,301</u>

The bank overdraft is secured by a fixed and floating charge on the assets of the company.

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	1995 £	1994 £
Obligations under finance lease and hire purchase contracts	<u>190,671</u>	<u>133,064</u>

**13. PROVISIONS FOR LIABILITIES AND CHARGES**

**Deferred taxation**

Full provision is made for all potential amounts of deferred taxation:

	1995 Provision made £	1994 Provision made £
Accelerated capital allowances	65,226	62,816
Short-term timing differences	222	6,939
Advance Corporation Tax recoverable	(2,250)	(3,750)
	<u>63,198</u>	<u>66,005</u>

Movements on the provision for deferred taxation are:

	£
At 1 February 1994	69,755
Charged to profit and loss account	(4,307)
Advance corporation tax	(2,250)
	<u>63,198</u>
At 31 January 1995	<u>63,198</u>





**NOTES TO THE ACCOUNTS**  
**Year ended 31 January 1995**

**14. CALLED UP SHARE CAPITAL**

	1995 £	1994 £
Authorised, allotted and fully paid: 25,000 ordinary shares of £1 each	25,000	25,000

**15. CONTINGENT LIABILITIES**

The company has given a specific counter indemnity for £25,000 in respect of removal of goods from bonded storage without payment of duty.

The company has also issued a guarantee in respect of overdrafts of certain of its fellow subsidiaries.

**16. CAPITAL COMMITMENTS**

As at 31 January 1995, the company had not entered into any contracts for capital equipment (1994-£72,000).

**17. OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS**

	1995 £	1994 £
Minimum lease payments payable		
within one year	153,361	91,319
within two to five years	205,860	143,784
	359,221	235,103
Finance charges allocated to future periods	(40,510)	(25,910)
	318,711	209,193
Due within one year	128,040	76,129
Due after more than one year	190,671	133,064
	318,711	209,193

Finance lease and hire purchase contract obligations are secured upon the assets to which they relate.

**18. OPERATING LEASE COMMITMENTS**

At 31 January 1995 the company was committed to making the following payments during the next year in respect of operating leases.

	Plant and equipment £	Land and buildings £
Leases which expire:		
Within one year	14,000	-
Within two to five years	-	55,000
After five years	-	128,000
	14,000	183,000



**NOTES TO THE ACCOUNTS**

**Year ended 31 January 1995**

**19. ULTIMATE PARENT COMPANY**

The ultimate parent company is James Burden (Holdings) Limited, a company registered in England and Wales.

Copies of the group financial statements of James Burden (Holdings) Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.