

Company No. 01433354

Dover Ships Stores Limited.

Directors' Report and Financial Statements
for the year ended 31st January 1996



Dover Ships Stores Limited.
REPORT AND FINANCIAL STATEMENTS 1996

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Dover Ships Stores Limited.

Company Information

Directors	Mr. J. D. Burden. Mr. J. E. Payne. Mr. R. Snelling.
Secretary	Roger Snelling.
Company Number	01433354
Registered Office	Unit 4, Coombe Valley Industrial Estate Holmestone Road Dover Kent CT17 0UF
Auditors	Morgan Brown & Spofforth 82, St. John Street London EC1M 4JN
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

Dover Ships Stores Limited.

Directors' Report for the year ended 31st January 1996

The directors present their report and the financial statements for the year ended 31st January 1996.

Principal Activities and Review of the Business

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

Increased turnover, and firm controls on costs have significantly improved the results for the year. Pressure on margins continued, and is expected to continue but will be resisted as far as possible by management.

The directors consider the present position to be satisfactory

Results and Dividends

The results for the year are set out on page 5.

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £88,935 is transferred to reserves.

Fixed Assets

The significant changes in fixed assets during the year are explained in note 8 to the financial statements.

Directors and their Interests

The directors who served during the year and their interests in the company were as stated below.

		Number of shares	
		1996	1995
	Class of share		
Mr. J. D. Burden.	Ordinary shares	-	-
Mr. J. E. Payne.	Ordinary shares	2,500	2,500
Mr. R. Snelling.	Ordinary shares	1,250	1,250

Mr. J.D. Burden is a director of James Burden (Holdings) Limited, and his interests in the group are shown in its consolidated accounts.

Directors' Insurance

The company maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the company.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Morgan Brown & Spofforth be reappointed as auditors of the company will be put to the Annual General Meeting.

Dover Ships Stores Limited.

Directors' Report for the year ended 31st January 1996 (continued)

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 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 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. 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.

This report was approved by the Board on 15th May 1996.

Roger Snelling.
Secretary

A handwritten signature in black ink, appearing to read 'R. Snelling', with a large, stylized loop at the end.

Dover Ships Stores Limited.

**Auditors' Report
to the shareholders of Dover Ships Stores Limited.**

We have audited the financial statements on pages 5 to 15 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

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 judgments 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 31st January 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Morgan Brown & Spofforth

22nd May 1996.

**Chartered Accountants
Registered Auditor**

82, St. John Street
London EC1M 4JN

Dover Ships Stores Limited.

**Profit and Loss Account
for the year ended 31st January 1996**

	Notes	1996 £	1995 £
Turnover	2	14,212,958	12,088,654
Cost of sales		(11,534,521)	(9,595,472)
Gross profit		2,678,437	2,493,182
Distribution costs		(1,584,505)	(1,529,946)
Administrative expenses		(892,250)	(764,973)
Operating profit	3	201,682	198,263
Other interest receivable and similar income	4	4,407	-
Interest payable and similar charges	5	(75,370)	(65,238)
Profit on ordinary activities before taxation		130,719	133,025
Tax on profit on ordinary activities	6	(41,784)	(43,241)
Profit on ordinary activities after taxation		88,935	89,784
Dividends	7	-	(60,000)
Retained profit for the year	17	£ 88,935	£ 29,784

There are no recognised gains and losses other than those passing through the profit and loss account.

Dover Ships Stores Limited.

**Balance Sheet
as at 31st January 1996**

	Notes	1996 £	1995 £
Fixed Assets			
Tangible assets	8	557,221	653,495
Current Assets			
Stocks	9	508,416	568,460
Debtors	10	1,578,621	1,295,236
Cash at bank and in hand		139,530	1,935
		<u>2,226,567</u>	<u>1,865,631</u>
Creditors: amounts falling due within one year			
Bank overdraft	11	(773,034)	(454,021)
Trade creditors		(778,388)	(980,167)
Other creditors including taxation and social security	12	(526,341)	(387,017)
		<u>(2,077,763)</u>	<u>(1,821,205)</u>
Net Current Assets		<u>148,804</u>	<u>44,426</u>
Total Assets Less Current Liabilities		<u>706,025</u>	<u>697,921</u>
Creditors: amounts falling due after more than one year			
	13	(120,385)	(190,671)
Provision for Liabilities and Charges			
	14	(52,653)	(63,198)
		<u>£532,987</u>	<u>£444,052</u>
Capital and Reserves			
Called up share capital	16	25,000	25,000
Profit and loss account	17	507,987	419,052
Shareholders' Funds - Equity	18	<u>£532,987</u>	<u>£444,052</u>

The financial statements were approved by the Board on 15th May 1996.

Director

J. R. Payne

Dover Ships Stores Limited.

**Cash Flow Statement
for the year ended 31st January 1996**

	1996	1995
	£	£
Net cash in/outflow from operating activities	101,969	467,193
Returns on investments and servicing of finance		
Interest received	4,407	-
Interest paid	(75,370)	(65,238)
Dividends paid	(60,000)	(100,000)
Net cash in/outflow from returns on investments and servicing of finance	(130,963)	(165,238)
Taxation		
Corporation tax paid (including advance corporation tax)	(20,750)	(52,879)
Corporation tax repaid	19,733	-
Tax paid	(1,017)	(52,879)
Investing activities		
Payments to acquire tangible assets	(27,383)	(19,652)
Receipts from sales of tangible assets	6,434	9,035
Net cash in/outflow from investing activities	(20,949)	(10,617)
Net cash in/outflow before financing	(50,960)	238,459
Financing		
Capital element of hire purchase contracts	(130,457)	(107,718)
Net cash in/outflow from financing	(130,457)	(107,718)
In/Decrease in cash and cash equivalents	£(181,417)	£130,741

Dover Ships Stores Limited.

**Notes to the Cash Flow Statement
for the year ended 31st January 1996**

1	Reconciliation of operating profit to net cash in/outflow from operating activities	1996 £	1995 £	
	Operating profit	201,682	198,263	
	Depreciation of tangible assets	171,984	170,955	
	Profit on disposal of tangible assets	(744)	(9,027)	
	Decrease in stocks	60,044	(88,179)	
	Increase in debtors	(303,118)	39,275	
	Increase in creditors due within one year	5,349	182,811	
	Group relief	(33,229)	(26,905)	
	Net cash in/outflow from operating activities	£ 101,968	£ 467,193	
2	Analysis of changes in cash and cash equivalents during the year	1996 £	1995 £	
	Balance at 1st February 1995	(452,086)	(582,828)	
	Net cash in/outflow	(181,418)	130,742	
	Balance at 31st January 1996	£ (633,504)	£ (452,086)	
3	Analysis of the balances of cash and cash equivalents as shown in the balance sheet	1996 £	1995 £	Change in year £
	Cash at bank and in hand	139,530	1,935	137,595
	Bank overdrafts	(773,034)	(454,021)	(319,013)
		£ (633,504)	£ (452,086)	£ (181,418)
4	Analysis of changes in financing during the year		Share capital £	Loans and finance lease obligations £
	Balance at 1st February 1995		25,000	318,711
	Cash in/outflow from financing		-	(130,457)
	Inception of finance lease contracts		-	54,016
	Balance at 31st January 1996		£ 25,000	£ 242,270

Dover Ships Stores Limited.

**Notes to the Financial Statements
for the year ended 31st January 1996**

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

1.2 Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	10% or over the life of the lease whichever is the greater.
Plant and machinery	-	10%-50% Straight line
Motor vehicles	-	25% Straight line

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

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

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

Dover Ships Stores Limited.

**Notes to the Financial Statements
for the year ended 31st January 1996**

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the U.K.

3. Operating Profit

	1996 £	1995 £
Operating profit is stated after charging:		
Depreciation of tangible assets	171,984	170,955
Hire of plant and machinery	568	-
Operating lease rentals		
- Plant and machinery	29,628	43,578
- Land and buildings	252,395	255,972
Auditors' remuneration	10,000	14,000
	<u> </u>	<u> </u>

4. Other Interest Receivable and Similar Income

	1996 £	1995 £
Bank interest received	3,537	-
Other interest received	870	-
	<u> </u>	<u> </u>
	£4,407	£ -
	<u> </u>	<u> </u>

5. Interest Payable

	1996 £	1995 £
On bank loans and overdrafts	49,023	36,993
Hire purchase interest	26,347	28,245
	<u> </u>	<u> </u>
	£75,370	£65,238
	<u> </u>	<u> </u>

6. Taxation

	1996 £	1995 £
U.K. Current year taxation		
U.K. Corporation tax at 33% (1995 - 33%)	21,350	20,680
Payment in respect of group relief	33,229	26,905
Transfer from deferred taxation	(12,795)	(4,307)
	<u> </u>	<u> </u>
	41,784	43,278
Prior years		
U.K. Corporation tax	-	(37)
	<u> </u>	<u> </u>
	£41,784	£43,241
	<u> </u>	<u> </u>

Dover Ships Stores Limited.

**Notes to the Financial Statements
for the year ended 31st January 1996**

7. Dividends	1996 £	1995 £
Ordinary:		
Final proposed	-	60,000
	<u> </u>	<u> </u>

8. Tangible Assets

	Land and buildings Leasehold (short) £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1st February 1995	61,657	1,277,502	147,774	1,486,933
Additions	-	54,371	27,030	81,401
Disposals	-	(86,260)	(42,421)	(128,681)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31st January 1996	61,657	1,245,613	132,383	1,439,653
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
At 1st February 1995	22,757	725,482	85,199	833,438
On disposals	-	(82,744)	(40,247)	(122,991)
Charge for year	6,166	136,049	29,770	171,985
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31st January 1996	28,923	778,787	74,722	882,432
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book values				
At 31st January 1996	£32,734	£466,826	£ 57,661	£557,221
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31st January 1995	£38,900	£552,020	£ 62,575	£653,495
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	Net book value £	Depreciation charge £
Plant and machinery	314,980	94,293
	<u> </u>	<u> </u>

9. Stocks	1996 £	1995 £
Finished goods and goods for resale	508,416	568,460
	<u> </u>	<u> </u>

Dover Ships Stores Limited.

**Notes to the Financial Statements
for the year ended 31st January 1996**

10. Debtors	1996 £	1995 £
Trade debtors	1,344,115	1,098,918
Corporation tax	-	19,733
Other debtors	54,181	37,146
Prepayments and accrued income	180,325	139,439
	<u>£1,578,621</u>	<u>£1,295,236</u>

11. Bank Overdrafts

The bank overdrafts are secured by a fixed and floating charge on the assets of the company.

12. Other creditors including taxation and social security	1996 £	1995 £
Net obligations under finance lease and hire purchase contracts	121,885	128,040
Amounts owed to group undertaking	301,217	133,983
Corporation tax	17,531	19,180
Other taxes and social security costs	17,564	13,232
Accruals and deferred income	68,144	32,582
Proposed dividend	-	60,000
	<u>£526,341</u>	<u>£387,017</u>

13. Creditors: amounts falling due after more than one year	1996 £	1995 £
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	146,053	153,361
Repayable between one and five years	129,542	205,860
	<u>275,595</u>	<u>359,221</u>
Finance charges and interest allocated to future accounting periods	(33,325)	(40,510)
	<u>242,270</u>	<u>318,711</u>
Included in current liabilities	(121,885)	(128,040)
	<u>£120,385</u>	<u>£190,671</u>

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

Dover Ships Stores Limited.

**Notes to the Financial Statements
for the year ended 31st January 1996**

14. Provisions for Liabilities and Charges

Full provision is made for all potential amounts of deferred tax

	Fully Provided	
	1996	1995
	£	£
Accelerated capital allowances	52,651	65,226
Other timing differences	2	222
ACT available for offset	-	(2,250)
	<u>£52,653</u>	<u>£63,198</u>

Movements on the provision for deferred taxation are:

	£
At 1st February 1995	65,448
Transferred to profit and loss account	<u>12,795</u>
At 31st January 1996	<u>£52,653</u>

15. 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.

16. Share Capital

	1996	1995
	£	£
Authorised		
25,000 Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>
Allotted, called up and fully paid		
25,000 Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

17. Profit And Loss Account

	1996	1995
	£	£
Retained profits at 1st February 1995	419,052	389,268
Retained profit for the year	<u>88,935</u>	<u>29,784</u>
Retained profits at 31st January 1996	<u>£507,987</u>	<u>£419,052</u>

Dover Ships Stores Limited.

**Notes to the Financial Statements
for the year ended 31st January 1996**

18. Reconciliation of Movements in Shareholders' Funds

	1996 £	1995 £
Profit for the financial year	88,935	89,784
Dividends	-	(60,000)
	<hr/>	<hr/>
Net addition to shareholders' funds	88,935	29,784
Opening shareholders' funds	444,052	414,268
	<hr/>	<hr/>
Closing shareholders' funds	<u>£532,987</u>	<u>£444,052</u>

19. Contingent Liabilities

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

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

20. Financial Commitments

At 31st January 1996 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1996 £	1995 £
Expiry date:		
Between two and five years	62,517	55,000
In over five years	127,860	128,000
	<hr/>	<hr/>
	<u>£190,377</u>	<u>£183,000</u>

21. Capital Commitments

Details of capital commitments at the accounting date are as follows:

Contracted for but not provided in the financial statements

1996 £	1995 £
<u>£36,080</u>	<u>-</u>

Dover Ships Stores Limited.

**Notes to the Financial Statements
for the year ended 31st January 1996**

22. Directors' Emoluments	1996 £	1995 £
Remuneration	124,875	212,366
Emoluments disclosed above (excluding pension contributions) include amounts paid to:		
The chairman	£ -	£ -
The highest-paid director	£ 55,502	£131,462
Other directors' emoluments (excluding pension contributions) were in the following ranges:	Number	Number
£40,001 - £45,000	1	-
£65,001 - £70,000	-	1

23. Employees

Number of employees

The average weekly number of employees (including directors) during the year was:

	1996 Number	1995 Number
Office and management	13	13
Sales and distribution	65	65
	78	78

Employment costs

	£	£
Wages and salaries	855,758	805,436
Social security costs	82,156	81,604
Other pension costs	18,154	27,335
	£956,068	£914,375

24. 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.