

Company Registration No. 1790528 (England and Wales)

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**CULLEN'S HOLDINGS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE 52 WEEKS ENDED 26 SEPTEMBER 1998**



# **CULLEN'S HOLDINGS LIMITED**

## **COMPANY INFORMATION**

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|                          |  |
|--------------------------|--|
| <b>Directors</b>         | J M Patel<br>M M Patel   |
| <b>Secretary</b>         | A G Patel  |
| <b>Company number</b>    | 1790528  |
| <b>Registered office</b> | Europa House<br>Northolt Industrial Estate<br>Rowdell Road<br>Middlesex<br>UB5 6AG |
| <b>Auditors</b>          | Blick Rothenberg<br>12 York Gate<br>Regent's Park<br>London<br>NW1 4QS             |

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# **CULLEN'S HOLDINGS LIMITED**

## **CONTENTS**

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|                                   | <b>Page</b> |
|-----------------------------------|-------------|
| Directors' report                 | 1 - 2       |
| Auditors' report                  | 3           |
| Profit and loss account           | 4           |
| Balance sheet                     | 5           |
| Notes to the financial statements | 6 - 9       |

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# **CULLEN'S HOLDINGS LIMITED**

## **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 26 SEPTEMBER 1998**

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The directors present their report and financial statements for the 52 weeks ended 26 September 1998. The company changed its name to Cullen's Holdings Limited following a change in status from a public limited company to a private limited company on 10 March 1998.

### **Principal activities and review of the business**

The principal activity of the company continued to be that of an investment company. The financial position of the company is considered satisfactory by the directors.

### **Results and dividends**

The results for the period are set out on page 4.

The directors are unable to recommend payment of a dividend.

### **Fixed assets**

Changes in fixed assets during the period are explained in notes 4 and 5 to the financial statements.

### **Directors and their interests**

The following directors who held office at the end of the period had no interests in the shares of the company at the beginning and end of the period:

J M Patel

M M Patel

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

### **Employee involvement**

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

### **Disabled persons**

Disabled persons are employed by the group 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 group's business and every effort is made to ensure they are given full and fair consideration.

### **Payments to suppliers**

The company agrees terms and conditions for its business transactions with its suppliers. Payment is made on these terms subject to the terms and conditions being met by the supplier.

### **Auditors**

Blick Rothenberg were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

# **CULLEN'S HOLDINGS LIMITED**

## **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 26 SEPTEMBER 1998**

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### **Year 2000 compliance**

In common with most companies the company is conducting a comprehensive review of its systems, equipment, products and services, suppliers, customers and building facilities to identify its exposure to any adverse impact of Year 2000 non-compliance.

The company plans to repair or replace any non-compliant items in good time for the Millennium and is also developing appropriate contingency plans. In addition, it is monitoring closely the progress of its major suppliers and customers towards achieving Year 2000 compliance.

It is currently not expected that the costs of achieving the company's Year 2000 compliance objectives will be material and they will be expensed as incurred. The company has not yet identified any area of Year 2000 non-compliance that presents a major risk to its business.

### **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;

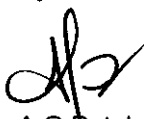
make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 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.

By order of the board



A G Patel

Secretary

28 May 1999

# **CULLEN'S HOLDINGS LIMITED**

## **AUDITORS' REPORT TO THE SHAREHOLDERS OF CULLEN'S HOLDINGS LIMITED**

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We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### **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 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 26 September 1998 and of its result for the 52 weeks then ended and have been properly prepared in accordance with the Companies Act 1985.



2 June 1999

**BLICK ROTHENBERG**

12 York Gate  
Regent's Park  
London  
NW1 4QS

Chartered Accountants  
Registered Auditor

# CULLEN'S HOLDINGS LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 26 SEPTEMBER 1998

|  |          |           | 30 Weeks<br>ended<br>27 September<br>1997 |
|--|----------|-----------|---|
|  | Notes    | 1998<br>£ | £   |
| Administrative expenses                            |          | -         | (192,000)                                 |
| <b>Operating loss</b>                              | <b>2</b> | -         | (192,000)                                 |
| Exceptional item: Provision against investment     |          |           | (710,000)                                 |
| <b>Loss on ordinary activities before taxation</b> |          | -         | (902,000)                                 |
| Tax on loss on ordinary activities                 | <b>3</b> | -         | -   |
| <b>Retained loss for the 52 weeks</b>              | <b>9</b> | -         | (902,000)                                 |

Turnover and operating profit all derive from continuing operations.

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

# CULLEN'S HOLDINGS LIMITED

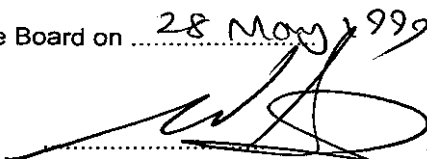
## BALANCE SHEET AS AT 26 SEPTEMBER 1998

|   | Notes | £         | 1998<br>£        | £                | 1997<br>£        |
|---|-------|-----------|------------------|------------------|------------------|
| <b>Fixed assets</b>                                   |       |           |                  |                  |                  |
| Tangible assets                                       | 4     |           | 26,193           |                  | 26,193           |
| Investments   | 5     |           | 324,910          |                  | 324,910          |
|   |       |           | <u>351,103</u>   |                  | <u>351,103</u>   |
| <b>Current assets</b>                                 |       |           |                  |                  |                  |
| Debtors   | 6     | 2,667,335 |                  | 2,643,746        |                  |
| Cash at bank and in hand                              |       | -         |                  | 23,589           |                  |
|   |       |           | <u>2,667,335</u> | <u>2,667,335</u> |                  |
| <b>Creditors: amounts falling due within one year</b> | 7     | (1,000)   |                  | (1,000)          |                  |
| <b>Net current assets</b>                             |       |           | <u>2,666,335</u> |                  | <u>2,666,335</u> |
| <b>Total assets less current liabilities</b>          |       |           | <u>3,017,438</u> |                  | <u>3,017,438</u> |
| <b>Capital and reserves</b>                           |       |           |                  |                  |                  |
| Called up share capital                               | 8     |           | 2,699,788        |                  | 2,699,788        |
| Share premium account                                 | 9     |           | 952,005          |                  | 952,005          |
| Other reserves  | 9     |           | 761,000          |                  | 761,000          |
| Profit and loss account                               | 9     |           | (1,395,355)      |                  | (1,395,355)      |
| <b>Shareholders' funds - equity interests</b>         | 10    |           | <u>3,017,438</u> |                  | <u>3,017,438</u> |

The financial statements were approved by the Board on 28 May 1999



J M Patel  
Director



M M Patel  
Director



# CULLEN'S HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 26 SEPTEMBER 1998

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### 1 Accounting policies

#### 1.1 Basis of preparation

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

#### 1.2 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:

|                         |                   |
|-------------------------|-------------------|
| Long leasehold property | 4 % straight line |
|-------------------------|-------------------|

#### 1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.4 Deferred taxation

Deferred taxation is provided using the liability method on all timing differences, including those relating to pensions, to the extent that they are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Advance corporation tax which is expected to be recoverable in the future is deducted from the deferred tax balance. Deferred tax assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

#### 1.5 Comparatives

The comparative figures are for the 30 week period ended 27 September 1997 and have been reanalysed in order to aid comparison with current year figures.

### 2 Operating loss

|  | 1998 | 1997  |
|--|------|-------|
|  | £    | £     |
| Operating loss is stated after charging: |      |       |
| Depreciation of tangible assets          | -    | 1,000 |

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### 3 Taxation

There is no charge for taxation in the period (1997 - £nil).

The company has £328,000 of losses to carry forward which may be offset against future investment income or capital gains.

# CULLEN'S HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 26 SEPTEMBER 1998

### 4 Tangible fixed assets

|   | Long<br>leasehold<br>property<br>£ |
|---|------------------------------------|
| <b>Cost</b>                                 |                                    |
| At 28 September 1997 & at 26 September 1998 | 28,036                             |
| <b>Depreciation</b>                         |                                    |
| At 28 September 1997 & at 26 September 1998 | 1,843                              |
| <b>Net book value</b>                       |                                    |
| At 26 September 1998                        | 26,193                             |
| At 27 September 1997                        | 26,193                             |

### 5 Fixed asset investments

|   | Shares in<br>subsidiary<br>undertakings<br>£ |
|---|--|
| <b>Cost</b>                                 |  |
| At 28 September 1997 & at 26 September 1998 | 8,643,002                                    |
| <b>Provisions for diminution in value</b>   |  |
| At 28 September 1997 & at 26 September 1998 | 8,318,092                                    |
| <b>Net book value</b>                       |  |
| At 26 September 1998                        | 324,910                                      |
| At 27 September 1997                        | 324,910                                      |

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

The company holds more than 20% of the share capital of the following companies:

| Company                        | Country of registration or<br>incorporation | Class    | Shares held<br>% |
|--------------------------------|---|----------|------------------|
| <b>Subsidiary undertakings</b> |   |          |                  |
| Cullens stores Limited         | England                                     | Ordinary | 100              |

The principal activity of which is that of retail grocer.

# CULLEN'S HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 26 SEPTEMBER 1998

|  |                              |                       |
|--|------------------------------|-----------------------|
| <b>6 Debtors</b>   | <b>1998</b>                  | <b>1997</b>           |
|  | <b>£</b>                     | <b>£</b>              |
| Amounts owed by subsidiary undertaking                       | <b>2,666,108</b>             | 2,642,519             |
| Prepayments and accrued income                               | <b>1,227</b>                 | 1,227                 |
|  | <b>2,667,335</b>             | <b>2,643,746</b>      |
| <b>7 Creditors: amounts falling due within one year</b>      | <b>1998</b>                  | <b>1997</b>           |
|  | <b>£</b>                     | <b>£</b>              |
| Accruals and deferred income                                 | <b>1,000</b>                 | 1,000                 |
| <b>8 Share capital</b>                                       | <b>1998</b>                  | <b>1997</b>           |
|  | <b>£</b>                     | <b>£</b>              |
| <b>Authorised</b>  |                              |                       |
| 36,500,000 Ordinary shares of 10p each                       | <b>3,650,000</b>             | 3,650,000             |
| <b>Allotted, called up and fully paid</b>                    |                              |                       |
| 26,997,880 Ordinary shares of 10p each                       | <b>2,699,788</b>             | 2,699,788             |
| <b>9 Statement of movements on reserves</b>                  |                              |                       |
|  | <b>Share premium account</b> | <b>Other reserves</b> |
|  | <b>£</b>                     | <b>£</b>              |
| At 28 September 1997 and 26 September 1998                   | <b>952,005</b>               | <b>761,000</b>        |
|  |                              | <b>(1,395,355)</b>    |
| <b>10 Reconciliation of movements in shareholders' funds</b> | <b>1998</b>                  | <b>1997</b>           |
|  | <b>£</b>                     | <b>£</b>              |
| Loss for the financial period                                | -                            | (902,000)             |
| Proceeds from issue of shares                                | -                            | 107,000               |
| Net depletion in shareholders' funds                         | -                            | (795,000)             |
| Opening shareholders' funds                                  | <b>3,017,438</b>             | 3,812,438             |
| Closing shareholders' funds                                  | <b>3,017,438</b>             | 3,017,438             |