

Company Registration Number 1882853

**ADMINSTORE LIMITED**  
**FINANCIAL STATEMENTS**  
**28 SEPTEMBER 2002**

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# **ADMINSTORE LIMITED**

## **FINANCIAL STATEMENTS**

**52 WEEKS ENDED 28 SEPTEMBER 2002**

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<b>Contents</b>	<b>Pages</b>
Officers and professional advisers	1
Directors' report	2 to 4
Independent auditors' report to the shareholders	5 to 6
Group profit and loss account	7
Group balance sheet	8
Balance sheet	9
Group cashflow statement	10
Notes to the financial statements	11 to 29

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# **ADMINSTORE LIMITED**

## **OFFICERS AND PROFESSIONAL ADVISERS**

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<b>Directors</b>	N M Patel J M Patel M M Patel
<b>Company secretary</b>	A G Patel
<b>Registered office</b>	Europa House Northolt Industrial Estate Rowdell Road Northolt Middlesex UB5 6AG
<b>Auditors</b>	Blick Rothenberg Chartered Accountants Registered Auditors 12 York Gate Regent's Park London NW1 4QS
<b>Principal bankers</b>	Barclays Bank London Corporate Banking Group 1 <sup>st</sup> Floor 54 Lombard Street London EC3V 9EX

# ADMINSTORE LIMITED

## DIRECTORS' REPORT

### 52 WEEKS ENDED 28 SEPTEMBER 2002

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The directors have pleasure in presenting their report and the financial statements of the group for the 52 weeks ended 28 September 2002.

#### Principal activity and business review

The principal activity of the group is that of retailers and wholesalers of groceries, including franchising.

The results for the period and the financial position at the period end were considered satisfactory by the directors who expect growth in the foreseeable future.

#### Results and dividends

The results for the 52 weeks and the group's financial position at the end of the 52 weeks are shown in the attached financial statements.

The directors have recommended the following dividends:

	2002 £	2001 £
Proposed dividend on ordinary shares	<u>30,000</u>	<u>30,000</u>

It is proposed to transfer the profit for the 52 weeks of £1,247,168 to reserves.

#### The directors and their interests

The directors who held office at the end of the 52 weeks together with their interests in the shares of the company were as follows:

	Class of share	At 28 September 2002	At 29 September 2001
N M Patel	1p Ordinary A shares	125,000	125,000
J M Patel	1p Ordinary B shares	583,333	583,333
M M Patel	1p Ordinary A shares	<u>125,000</u>	<u>125,000</u>

#### Fixed assets

The movements in fixed assets are set out in the notes to the financial statements.

# **ADMINSTORE LIMITED**

## **DIRECTORS' REPORT** *(continued)*

**52 WEEKS ENDED 28 SEPTEMBER 2002**

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### **Market value of land and buildings**

The group's investment properties are shown at their open market value, based on directors' valuation.

In respect of the group's other properties, the directors are of the opinion that the market values are in excess of the values shown in the financial statements, but they do not consider that the cost of a professional valuation would be justified at present.

### **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.

### **Donations**

Charitable donations amounting to £63,512 (2001: £194,089) were payable during the period.

### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company and of the group at the end of the 52 weeks and of the group's profit or loss for the 52 weeks then ended.

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; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# ADMINSTORE LIMITED

## DIRECTORS' REPORT *(continued)*

52 WEEKS ENDED 28 SEPTEMBER 2002

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### Auditors

A resolution to re-appoint Blick Rothenberg as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Signed by order of the directors



A G PATEL  
Company secretary

28/01/03

# **ADMINSTORE LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ADMINSTORE LIMITED**

**52 WEEKS ENDED 28 SEPTEMBER 2002**

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We have audited the financial statements on pages 7 to 29 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 pages 11 and 12.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the directors and the auditors**

As described on page 3 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 group'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.

### **Fundamental uncertainty relating to investment balance**

In forming our opinion, we have considered the adequacy of the disclosures made in note 15 concerning the circumstances surrounding the group's current asset investment of £487,126. The resolution of those matters could affect the recoverability of the investment. It is not possible to quantify the effects, if any, of the resolution of this uncertainty. Our opinion is not qualified in this respect.



# **ADMINSTORE LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ADMINSTORE LIMITED**

**52 WEEKS ENDED 28 SEPTEMBER 2002**

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### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company and of the group at 28 September 2002 and of the group's profit for the 52 week period ended on that date and have been properly prepared in accordance with the Companies Act 1985.

12 York Gate  
Regent's Park  
London  
NW1 4QS



**BLICK ROTHENBERG**  
Chartered Accountants  
Registered Auditors  
28 January 2003

# ADMINSTORE LIMITED

## GROUP PROFIT AND LOSS ACCOUNT

52 WEEKS ENDED 28 SEPTEMBER 2002

		2002	2001
	Note	£	£
<b>Turnover:</b> Continuing operations		<b>69,662,971</b>	71,574,300
Acquisitions		<b>3,093,933</b>	-
	<b>2</b>	<b>72,756,904</b>	71,574,300
<b>Net operating expenses</b>	<b>3</b>	<b>(70,084,664)</b>	(68,240,191)
<b>Operating profit</b>	<b>3,5</b>	<b>2,672,240</b>	3,334,109
Profit on disposal of fixed assets		-	169,513
Discontinued operation			
Loss on disposal of Adminstore Group			
Employee Trust and subsidiary undertaking		-	(5,722,351)
		<b>2,672,240</b>	(2,218,729)
Interest payable and similar charges (net)	<b>6</b>	<b>(576,995)</b>	(452,055)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>2,095,245</b>	(2,670,784)
Tax on profit /(loss) on ordinary activities	<b>7</b>	<b>(818,077)</b>	(749,597)
<b>Profit/(loss) on ordinary activities after taxation</b>	<b>8</b>	<b>1,277,168</b>	(3,420,381)
Dividends	<b>9</b>	<b>(30,000)</b>	(30,000)
<b>Retained profit/(loss) for the 52 weeks</b>	<b>24</b>	<b>1,247,168</b>	(3,450,381)

Details of activities relating to acquired and discontinued operations are disclosed in note 3.

The group has no other recognised gains and losses other than the results for the 52 weeks as set out above.

# ADMINSTORE LIMITED

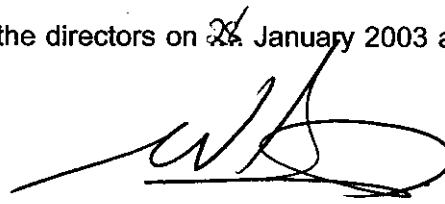
## GROUP BALANCE SHEET

28 SEPTEMBER 2002

	Note	2002		2001	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	10		5,193,586		5,167,819
Tangible assets	11		12,152,879		12,788,312
Investments	12		21,362		60,798
			<u>17,367,827</u>		<u>18,016,929</u>
<b>Current assets</b>					
Stocks	13	3,806,413		3,759,708	
Debtors	14	3,754,512		3,518,838	
Investments	15	624,435		639,513	
Cash at bank		<u>2,426,140</u>		<u>1,377,207</u>	
		<u>10,611,500</u>		<u>9,295,266</u>	
<b>Creditors: Amounts falling due within one year</b>	16	<u>(14,230,545)</u>		<u>(15,409,181)</u>	
<b>Net current liabilities</b>			<u>(3,619,045)</u>		<u>(6,113,915)</u>
<b>Total assets less current liabilities</b>			<u>13,748,782</u>		<u>11,903,014</u>
<b>Creditors: Amounts falling due after more than one year</b>	17		<u>(5,206,042)</u>		<u>(4,607,442)</u>
			<u>8,542,740</u>		<u>7,295,572</u>
<b>Capital and reserves</b>					
Called up equity share capital	23		50,000		50,000
Other reserves	24		1,950,000		1,950,000
Profit and loss account	24		6,542,740		5,295,572
<b>Shareholders' funds</b>	25		<u>8,542,740</u>		<u>7,295,572</u>

These financial statements were approved by the directors on 28 January 2003 and are signed on their behalf by:

  
J M PATEL  
Director

  
M M PATEL  
Director


# ADMINSTORE LIMITED

## BALANCE SHEET

28 SEPTEMBER 2002

	Note	2002		2001	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11	1,073,521		1,166,755	
Investments	12	11,125,139		11,125,139	
		<u>12,198,660</u>		<u>12,291,894</u>	
<b>Current assets</b>					
Stocks	13	105,493		104,214	
Debtors	14	2,887,463		5,973,829	
Investments	15	616,226		628,113	
Cash at bank		340,612		481,866	
		<u>3,949,794</u>		<u>7,188,022</u>	
<b>Creditors: Amounts falling due within one year</b>	16	<u>(2,341,829)</u>		<u>(7,872,507)</u>	
<b>Net current assets/(liabilities)</b>		<u>1,607,965</u>		<u>(684,485)</u>	
<b>Total assets less current liabilities</b>		<u>13,806,625</u>		<u>11,607,409</u>	
<b>Creditors: Amounts falling due after more than one year</b>	17	<u>(2,422,379)</u>		<u>(1,446,663)</u>	
		<u>11,384,246</u>		<u>10,160,746</u>	
<b>Capital and reserves</b>					
Called up equity share capital	23	50,000		50,000	
Other reserves	24	1,950,000		1,950,000	
Profit and loss account	24	9,384,246		8,160,746	
<b>Shareholders' funds</b>		<u>11,384,246</u>		<u>10,160,746</u>	

These financial statements were approved by the directors on 28 January 2003 and are signed on their behalf by:

  
J M PATEL  
Director

  
M M PATEL  
Director

# ADMINSTORE LIMITED

## GROUP CASHFLOW STATEMENT

52 WEEKS ENDED 28 SEPTEMBER 2002

	Note	2002		2001	
		£	£	£	£
<b>Net cash inflow from operating activities</b>	<b>26</b>	<b>4,359,533</b>		<b>3,259,611</b>	
<b>Returns on investments and servicing of finance</b>					
Interest received		33,181		215,299	
Interest paid		(610,176)		(661,622)	
Interest element of finance lease rental payments		-		(5,732)	
<b>Net cash outflow from returns on investments and servicing of finance</b>		<b>(576,995)</b>		<b>(452,055)</b>	
<b>Acquisitions and disposals</b>					
Payments to acquire unincorporated business	29	(755,000)		-	
Sale of subsidiary undertaking and repayment of intercompany loan on disposal		-		750,000	
Net cash disposed of with Adminstore Group Employee Trust and subsidiary undertaking		-		(811,847)	
<b>Net cash outflow from acquisitions and disposals</b>		<b>(755,000)</b>		<b>(61,847)</b>	
<b>Taxation</b>		<b>(849,754)</b>		<b>(573,850)</b>	
<b>Capital expenditure</b>					
Payments to acquire tangible fixed assets		(738,780)		(3,343,420)	
Receipts from sale of tangible fixed assets		32,726		447,349	
Receipts from sale of fixed asset investments		55,000		-	
Payments to acquire fixed asset investments		(7,850)		-	
<b>Net cash outflow from capital expenditure</b>		<b>(658,904)</b>		<b>(2,896,071)</b>	
<b>Equity dividends paid</b>		<b>(30,000)</b>		<b>(30,000)</b>	
<b>Management of liquid resources</b>		<b>21,000</b>		<b>(426,464)</b>	
<b>Cash inflow/(outflow) before financing</b>		<b>1,509,880</b>		<b>(1,180,676)</b>	
<b>Financing</b>					
Repayment of secured bank loans		(2,961,818)		(2,289,704)	
New secured loan		2,275,442		975,000	
<b>Net cash outflow from financing</b>		<b>(686,376)</b>		<b>(1,314,704)</b>	
<b>Increase/(decrease) in cash</b>	<b>28</b>	<b>823,504</b>		<b>(2,495,380)</b>	

# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

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### 1. Accounting policies

#### 1.1 Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

#### 1.2 Basis of consolidation

The consolidated accounts incorporate the accounts of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over its estimated useful economic life. The results of undertakings acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group accounts by virtue of section 230 of the Companies Act 1985.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services, net of value added tax.

#### 1.4 Intangible fixed assets: Corporate brand name

The acquired corporate brand name is initially recorded at a valuation based on the amount paid and the incremental earnings expected to arise from the ownership of that name, and it is amortised on a straight line basis over its estimated useful economic life up to a maximum of twenty years.

#### 1.5 Intangible fixed assets: Goodwill

Goodwill is written off to the profit and loss account in equal annual instalments over its estimated useful economic life of ten or twenty years.

#### 1.6 Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the estimated useful economic life of that asset as follows:

Freehold buildings	2% straight line
Fixtures, fittings and equipment	15 - 25% straight line
Motor vehicles	25% straight line
Short leasehold properties	Over the period of the lease

Freehold land is not depreciated.

#### 1.7 Stocks

Stocks in stores have been valued by professional stocktakers at retail prices adjusted to the lower of cost and net realisable value. Warehouse stocks have been valued at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing stocks to their existing location and condition.

# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

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### 1. Accounting policies *(continued)*

#### 1.8 Leases

Operating lease rentals are charged to the profit and loss account in equal instalments over the lease term.

#### 1.9 Pension costs

The pension cost charge represents the contributions payable by the group to the employees' personal pension schemes.

#### 1.10 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### 1.11 Investment properties

Investment properties are shown at their open market value. Any surplus or deficit arising from the annual revaluation will be transferred to a revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it will be recognised in the profit and loss account for the year.

This is in accordance with SSAP 19 "Accounting for Investment Properties" which, unlike Schedule 4 to the Companies Act 1985, does not require depreciation of investment properties. Investment properties are held for their investment potential and not for use by the company and so their current value is of prime importance. This departure from the provisions of the Act is required in order to give a true and fair view.

#### 1.12 Current asset investments

Current asset investments are included in the financial statements at the lower of cost and estimated net realisable value. In the case of quoted investments, net realisable value is based on market value.

#### 1.13 Fixed asset investments

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

#### 1.14 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

### 2. Turnover

The turnover and profit before tax is attributable to the principal activity of the group.

An analysis of turnover is given below:

	2002 £	2001 £
United Kingdom	<u>72,756,904</u>	<u>71,574,300</u>

### 3. Net operating expenses

	2002 £	2001 £
Change in stocks of finished goods	(46,705)	(181,844)
Other external charges	43,888,508	43,483,811
Staff costs	12,865,087	12,840,354
Depreciation, amortisation and profit on disposal of fixed assets	2,053,893	1,921,001
Other operating charges	13,067,797	12,199,249
Other operating income	<u>(1,743,916)</u>	<u>(2,022,380)</u>
	<u>70,084,664</u>	<u>68,240,191</u>

#### Details of activities relating to acquisitions in 2002

It is not practicable to determine the net operating expenses and operating profit attributable to acquisitions as the acquired stores have been fully integrated with existing stores. Many costs are incurred on a central, group wide basis, and, as such, the requisite analysis is unobtainable.

#### Details of activities relating to the discontinued operation in 2001 are as follows:

	2002 £	2001 £
Turnover	-	-
Net operating income	-	(5,258)
Operating profit	<u>-</u>	<u>5,258</u>



# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

### 4. Particulars of employees

The average number of staff employed, including the directors, by the group during the 52 weeks was:

	2002 Number	2001 Number
Administration	112	110
Shop assistants and warehouse staff	909	965
	<u>1,021</u>	<u>1,075</u>

The aggregate payroll costs of the above were:

	2002 £	2001 £
Wages and salaries	11,935,501	11,899,548
Social security costs	892,813	907,451
Other pension costs	36,773	33,355
	<u>12,865,087</u>	<u>12,840,354</u>

### 5. Operating profit

Operating profit is stated after charging/(crediting):

	2002 £	2001 £
Amortisation	599,233	536,734
Depreciation	1,358,306	1,515,406
Provision against investment property	113,181	-
Profit on disposal of fixed assets	(16,827)	(3,754)
Auditors' remuneration:		
- as auditors	75,000	71,000
- for other services	63,750	35,494
Operating lease costs:		
- Land and buildings	5,261,843	4,799,151
- Plant and equipment	135,097	167,793
Rents receivable	<u>(831,619)</u>	<u>(806,670)</u>

### 6. Interest payable and similar charges (net)

	2002 £	2001 £
Interest payable on bank borrowing	610,176	661,622
Finance charges	-	5,732
Interest receivable	<u>(33,181)</u>	<u>(215,299)</u>
	<u>576,995</u>	<u>452,055</u>

# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

### 7. Tax on profit/(loss) on ordinary activities

	2002 £	2001 £
Corporation tax based on the results for the 52 weeks at 30% (2001: 30%)	815,642	810,575
Adjustment in respect of previous years:		
Corporation tax	2,435	(60,978)
	<u>818,077</u>	<u>749,597</u>

### Factors affecting tax charge

The tax assessed on the profits for the year is higher than the standard rate of tax in the United Kingdom of 30% (2001: 30%).

	2002 £	2001 £
Profit/(loss) on ordinary activities before taxation	<u>2,095,245</u>	<u>(2,670,784)</u>
Profit/(loss) on ordinary activities at the standard rate of tax in the United Kingdom of 30% (2001: 30%)	628,574	(801,235)
Expenses not deductible for tax purposes and other permanent differences	168,524	1,743,976
Accounting depreciation/goodwill amortisation in excess of capital allowances and other timing differences	198,377	235,450
Adjustments in relation to prior years	2,435	(60,978)
Utilisation of capital losses and losses from prior years	(160,429)	(347,396)
Differences due to corporation tax rates	(5,596)	(4,668)
ACT previously written off	(13,808)	(15,552)
Tax charge for the current year	<u>818,077</u>	<u>749,597</u>

There is a potential deferred tax asset amounting to approximately £900,000 which has not been provided for in the financial statements due to the uncertainty concerning the timescale for such assets to be realised.

### 8. Profit attributable to members of the parent company

The profit dealt with in the accounts of the parent company was £1,223,500 (2001: £1,945,599).

# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

### 9. Dividends

The following dividends have been proposed in respect of the 52 weeks:

	2002	2001
	£	£
Proposed dividends on equity shares	<u>30,000</u>	<u>30,000</u>

### 10. Intangible fixed assets

Group	Goodwill £	Corporate brand name £	Total £
<b>Cost</b>			
At 30 September 2001	4,137,506	5,346,266	9,483,772
Additions (see note 29)	625,000	-	625,000
<b>At 28 September 2002</b>	<u>4,762,506</u>	<u>5,346,266</u>	<u>10,108,772</u>
<b>Amortisation</b>			
At 30 September 2001	3,415,953	900,000	4,315,953
Charge for the year	299,233	300,000	599,233
<b>At 28 September 2002</b>	<u>3,715,186</u>	<u>1,200,000</u>	<u>4,915,186</u>
<b>Net book value</b>			
<b>At 28 September 2002</b>	<u>1,047,320</u>	<u>4,146,266</u>	<u>5,193,586</u>
At 29 September 2001	<u>721,553</u>	<u>4,446,266</u>	<u>5,167,819</u>

The corporate brand name comprises that part of the purchase price of Cullen's Holdings Limited and subsidiaries, acquired in 1997, which the directors attributed to the separable corporate brand name. The asset has been valued in accordance with the accounting policy.

# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

### 11. Tangible fixed assets

Group	Land and buildings £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 30 September 2001	15,556,575	9,963,755	342,494	25,862,824
Additions	139,799	641,038	87,943	868,780
Disposals	(518,816)	(937,106)	(71,859)	(1,527,781)
<b>At 28 September 2002</b>	<b>15,177,558</b>	<b>9,667,687</b>	<b>358,578</b>	<b>25,203,823</b>
<b>Depreciation</b>				
At 30 September 2001	5,068,398	7,859,064	147,050	13,074,512
Charge for the 52 weeks	409,162	980,040	82,285	1,471,487
On disposals	(518,816)	(937,106)	(39,133)	(1,495,055)
<b>At 29 September 2001</b>	<b>4,958,744</b>	<b>7,901,998</b>	<b>190,202</b>	<b>13,050,944</b>
<b>Net book value</b>				
<b>At 28 September 2002</b>	<b>10,218,814</b>	<b>1,765,689</b>	<b>168,376</b>	<b>12,152,879</b>
At 29 September 2001	10,488,177	2,104,691	195,444	12,788,312

The net book value of land and buildings is analysed as follows:

	2002	2001
	£	£
Freehold properties	5,711,167	6,218,978
Short leasehold properties	926,599	1,001,932
Investment properties	3,581,048	3,267,267
	<b>10,218,814</b>	<b>10,488,177</b>

# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

### 11. Tangible fixed assets (continued)

Freehold and short leasehold properties are stated at cost less depreciation. Investment properties are stated at open market value as at 28 September 2002, as estimated by the directors. As at 28 September 2002 these are estimated by the directors to be equivalent to their previous carrying values.

Company	Land and buildings £	Fixtures, fittings and equipment £	Total £
<b>Cost or valuation</b>			
At 30 September 2001	1,310,312	632,424	1,942,736
Additions	-	8,970	8,970
Disposals	-	-	-
<b>At 28 September 2002</b>	<b>1,310,312</b>	<b>641,394</b>	<b>1,951,706</b>
<b>Depreciation</b>			
At 30 September 2001	351,182	424,799	775,981
Charge for the 52 weeks	27,484	74,720	102,204
<b>At 28 September 2002</b>	<b>378,666</b>	<b>499,519</b>	<b>878,185</b>
<b>Net book value</b>			
<b>At 28 September 2002</b>	<b>931,646</b>	<b>141,875</b>	<b>1,073,521</b>
At 29 September 2001	959,130	207,625	1,166,755

The net book value of land and buildings is analysed as follows:

	2002 £	2001 £
Freehold properties	587,469	595,861
Short leasehold properties	60,140	79,232
Investment properties	284,037	284,037
	<b>931,646</b>	<b>959,130</b>

Freehold and short leasehold properties are stated at cost less depreciation. Investment properties are stated at open market value as at 28 September 2002, as estimated by the directors. As at 28 September 2002 these are estimated by the directors to be equivalent to their previous carrying values.

# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

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### 12. Investments

Group	Unlisted investments
	£
<b>Cost</b>	
At 30 September 2001	60,798
Additions	7,850
Disposals	(47,286)
At 28 September 2002	<u>21,362</u>
<b>Net book value</b>	
At 28 September 2002	<u>21,362</u>
At 29 September 2001	<u>60,798</u>

The directors are of the opinion that the current market value of unlisted investments is not less than cost.

Company	Total
	£
<b>Cost</b>	
At 29 September 2001 and 28 September 2002	<u>11,125,139</u>
<b>Net book value</b>	
At 29 September 2001 and 28 September 2002	<u>11,125,139</u>

The directors are of the opinion that the aggregate value of the company's investment in subsidiary undertakings is not less than cost.

# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

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### 12. Investments *(continued)*

Details of the principal subsidiary undertakings at the year end are as follows:

Subsidiary undertakings	Country of incorporation	Proportion of voting rights and shares held (%)	Nature of business
Europa Foods Limited	England	100	Retail grocers
The Country Market Limited	England	100	Retail grocers
Limeport Limited	England	100	Retail grocers
Salecastle Limited	England	100	Wholesalers of fruit and vegetables
La Boucherie Limited	England	100	Wholesalers of meat and poultry
Harts The Grocers (E.C.R) Limited	England	100	Retail grocers
Harts The Grocers (Queensway) Limited	England	100	Retail grocers
Harts The Grocers (Fulham Road) Limited	England	100	Retail grocers
Harts The Grocers (Gloucester Road) Limited	England	100	Retail grocers
Harts The Grocers (TCR) Limited	England	100	Retail grocers
Harts The Grocers (Russell Square) Limited	England	100	Retail grocers
Cullen's Holdings Limited	England	100	Holding company
Food and Wine Lovers Limited	England	100	Holding company

# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

### 12. Investments (continued)

Subsidiary undertakings	Country of incorporation	Proportion of voting rights and shares held (%)	Nature of business
<b>Indirect principal subsidiary undertakings of Adminstore Limited</b>			
London & Home Counties Superstores Limited	England	100	Retail grocers
Cullen's Stores Limited	England	100	Retail grocers
Europa Food (Belsize Park) Limited	England	100	Retail grocers
Europa Warehouse Limited	England	100	Wholesale grocers

All the shares held are £1 ordinary shares, except Cullen's Holdings Limited, which are 10p ordinary shares.

### 13. Stocks

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Finished goods and goods for resale	<u>3,806,413</u>	<u>3,759,708</u>	<u>105,493</u>	<u>104,214</u>

### 14. Debtors

	<b>Group</b>		<b>Company</b>	
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	736,607	895,692	-	-
Amounts owed by group undertakings	-	-	1,704,548	5,799,488
Other debtors	759,081	658,981	1,182,915	174,341
Prepayments and accrued income	<u>2,258,824</u>	<u>1,964,165</u>	<u>-</u>	<u>-</u>
	<u>3,754,512</u>	<u>3,518,838</u>	<u>2,887,463</u>	<u>5,973,829</u>



# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

### 15. Investments

	Group 2002 £	2001 £	Company 2002 £	2001 £
Other investments	<u>624,435</u>	<u>639,513</u>	<u>616,226</u>	<u>628,113</u>

#### Listed investments

Investments having a net book value of £129,809 (2001: £144,370) are listed on a recognised stock exchange and had an aggregate market value of £133,412 at the end of the 52 weeks (2001: £154,373).

Included within investments is an amount of £487,126. The directors are unable to form a view as to whether this investment will be realised in full. The investment managers, who are currently under investigation by regulatory authorities, have assured the directors that the investment will be realised. In view of this the directors consider that no provision is required against the carrying value of the investment.

### 16. Creditors: Amounts falling due within one year

	Group 2002 £	2001 £	Company 2002 £	2001 £
Bank loans and overdrafts	4,557,941	5,617,488	696,063	809,557
Trade creditors	4,114,355	4,534,881	-	-
Amounts owed to group undertakings	-	-	498,744	6,191,534
Corporation tax	313,935	345,612	92,923	4,177
Taxation and social security	570,142	214,968	-	-
Proposed dividend	60,000	60,000	60,000	60,000
Other creditors	1,532,789	1,360,270	994,099	807,239
Accruals and deferred income	3,081,383	3,275,962	-	-
	<u>14,230,545</u>	<u>15,409,181</u>	<u>2,341,829</u>	<u>7,872,507</u>

The bank loans and overdrafts are secured by fixed and floating charges over the group's assets and cross guarantees of group undertakings.

# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

### 17. Creditors: Amounts falling due after more than one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and overdrafts	<u>5,206,042</u>	<u>4,607,442</u>	<u>2,422,379</u>	<u>1,446,663</u>

The bank loans repayable by instalments are at interest rates between 1.65% and 2.5% over LIBOR, 2% over base rate and 7.13% fixed rate. They are due for repayment between September 2008 and June 2019.

The bank loans are secured by fixed and floating charges over the group's assets and cross guarantees of group undertakings.

### 18. Loan maturity analysis

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Repayable by instalments wholly or partly in more than five years:				
Bank loans	3,902,511	2,843,155	1,832,742	160,963
Repayable other than by instalments in more than five years:				
Bank loan at variable rate due for repayment by April 2015	-	378,246	-	-
Wholly repayable within five years	<u>2,616,822</u>	<u>3,984,310</u>	<u>1,285,700</u>	<u>1,928,560</u>
	<u>6,519,333</u>	<u>7,205,711</u>	<u>3,118,442</u>	<u>2,089,523</u>
Due within one year	<u>(1,313,291)</u>	<u>(2,598,269)</u>	<u>(696,063)</u>	<u>(642,860)</u>
	<u>5,206,042</u>	<u>4,607,442</u>	<u>2,422,379</u>	<u>1,446,663</u>

#### Maturity of debt

Between one and two years	1,339,578	1,120,086	698,923	642,859
Between two and five years	2,059,544	2,160,370	187,122	642,840
In five years or more	1,806,920	1,326,986	1,536,334	160,964
	<u>5,206,042</u>	<u>4,607,442</u>	<u>2,422,379</u>	<u>1,446,663</u>

# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

### 19. Commitments under operating leases

At 28 September 2002 the group and company had annual commitments under non-cancellable operating leases as set out below.

#### Group

	Land and buildings		Other items	
	2002	2001	2002	2001
	£	£	£	£
Operating leases which expire:				
Within one year	192,250	-	18,911	12,575
Within two to five years	1,210,875	1,494,119	103,016	109,141
After more than five years	4,076,832	3,861,056	-	-
	<u>5,479,957</u>	<u>5,355,175</u>	<u>121,927</u>	<u>121,716</u>

#### Company

	Land and buildings	
	2002	2001
	£	£
Operating leases which expire:		
Within two to five years	-	112,000
After more than five years	260,350	135,850
	<u>260,350</u>	<u>247,850</u>

### 20. Capital commitments

As at 28 September 2002 the group had authorised and contracted for future capital expenditure in the sum of £nil (2001: £755,000).

### 21. Contingencies

The company has guaranteed bank overdrafts and loans of group undertakings amounting to £2,750,897 (2001: £5,027,547) at 28 September 2002.

# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

### 22. Related party disclosures

The following table details the material transactions which took place during the 52 weeks with related parties and the balances outstanding at the period end.

Name of related party	Operating costs	Turnover	Debtor due within one year	Creditor due within one year
2002	£	£	£	£
Crispins Food and Wine (J M Patel)	-	1,544,938	162,598	-
J M Patel	488,000	-	-	200,000
Olivers Food and Wine (J M Patel, M M Patel)	-	2,361,594	205,549	-
Colorama Associates (N M Patel, M M Patel)	404,000	-	-	200,000
2001				
Crispins Food and Wine (J M Patel)	-	1,638,700	202,575	-
J M Patel	588,000	-	-	200,000
Olivers Food and Wine (J M Patel, M M Patel)	-	2,512,558	256,570	-
Colorama Associates (N M Patel, M M Patel)	504,000	-	-	200,000
Adminstore Group Employee Trust	500,000	-	-	500,000

In addition to the above, rent receivable from Kwik Foto Limited in the year ended 28 September 2002 amounted to £62,876 (2001: £37,876).

The above parties are related by virtue of the fact that the company or the stated directors or their immediate families control (or have an interest) in them.

In addition to the above, as at 28 September 2002, the company and the group had loans of £65,000 (2001: £65,000) and £291,615 (2001: £291,615) respectively, owing from an entity of which J M Patel and M M Patel are directors. Neither J M nor M M Patel hold any interest in this entity. Interest receivable from these loans amounted to £11,161 in the year ended 28 September 2002 (2001: £12,000).

Included in other creditors is a balance of £475,367 (2001: £305,572), being a loan from the directors to the company.

In the opinion of the directors, there is no controlling party within the meaning of Financial Reporting Standard No 8.

# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

### 23. Share capital

#### Authorised share capital:

	2002	2001
	£	£
1,500,000 Ordinary shares of 1p each – class A	15,000	15,000
1,750,000 Ordinary shares of 1p each – class B	17,500	17,500
1,750,000 Ordinary shares of 1p each – class C	17,500	17,500
195,000,000 9% Participating cumulative redeemable shares of 1p each	1,950,000	1,950,000
	<u>2,000,000</u>	<u>2,000,000</u>

#### Allotted, called up and fully paid:

	2002		2001	
	Number	£	Number	£
Ordinary shares of 1p each – class A fully paid	1,500,000	15,000	1,500,000	15,000
Ordinary shares of 1p each – class B fully paid	1,750,000	17,500	1,750,000	17,500
Ordinary shares of 1p each – class C fully paid	1,750,000	17,500	1,750,000	17,500
	<u>5,000,000</u>	<u>50,000</u>	<u>5,000,000</u>	<u>50,000</u>

All shares rank pari passu.

### 24. Reserves

Group	Profit and loss account £	Capital redemption reserve £
At 30 September 2001	5,295,572	1,950,000
Profit for the 52 weeks	1,247,168	-
At 28 September 2002	<u>6,542,740</u>	<u>1,950,000</u>
Company	Profit and loss account £	Capital redemption reserve £
At 30 September 2001	8,160,746	1,950,000
Profit for the 52 weeks	1,223,500	-
At 28 September 2002	<u>9,384,246</u>	<u>1,950,000</u>

# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

### 25. Reconciliation of movements in shareholders' funds

	2002	2001
	£	£
Profit/(loss) for the financial 52 weeks	1,277,168	(3,420,381)
Dividends	(30,000)	(30,000)
Net addition/(reduction) to funds	1,247,168	(3,450,381)
Opening shareholders' equity funds	7,295,572	10,745,953
Closing shareholders' equity funds	<u>8,542,740</u>	<u>7,295,572</u>

### 26. Reconciliation of operating profit to net cash inflow from operating activities

	2002	2001
	£	£
Operating profit	2,672,240	3,334,109
Amortisation	599,233	536,734
Depreciation	1,358,306	1,515,406
Provision against investment property	113,181	-
Profit on disposal of fixed asset investments	(16,827)	(3,754)
Provision against current asset investments	3,191	-
Increase in stocks	(46,705)	(193,735)
Increase in debtors	(235,674)	(818,630)
Decrease in creditors	(87,412)	(1,110,519)
Net cash inflow from operating activities	<u>4,359,533</u>	<u>3,259,611</u>

# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

### 27. Reconciliation of net cash flow to movement in net debt

	2002 £	£	2001 £	£
Increase/(decrease) in cash in the period	823,504		(2,495,380)	
Net cash outflow from decrease in debt and lease financing	686,376		1,314,704	
Net cash (inflow)/outflow from (decrease)/increase in liquid resources	(21,000)		426,464	
Change in net debt	1,488,880		(754,212)	
Profit on sale of current asset investments	5,922		-	
Disposal of Adminstore Group Employee Trust	-		(3,080,868)	
	1,494,802		(3,835,080)	
Net debt at 30 September 2001	(8,208,210)		(4,373,130)	
Net debt at 29 September 2002	(6,713,408)		(8,208,210)	

Liquid resources comprise current asset investments.

### 28. Analysis of changes in net debt

	At 30 Sep 2001 £	Cash flows £	Non-cash adjustments £	At 28 Sep 2002 £
Cash in hand and at bank	1,377,207	1,048,933	-	2,426,140
Overdrafts	(3,019,219)	(225,429)	-	(3,244,648)
	(1,642,012)	823,504	-	(818,508)
Debt due after one year	(4,607,442)	(598,600)	-	(5,206,042)
Debt due within one year	(2,598,269)	1,284,976	-	(1,313,293)
Current asset investments	639,513	(21,000)	5,922	624,435
	(6,566,198)	665,376	5,922	(5,894,900)
Net debt	(8,208,210)	1,488,880	5,922	(6,713,408)

# ADMINSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

52 WEEKS ENDED 28 SEPTEMBER 2002

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### 29. Acquisition of unincorporated business

On 24 October 2001 Europa Foods Limited, a subsidiary of Adminstore Limited, acquired the assets and trade of an unincorporated business for a consideration of £755,000. Details of the assets acquired are as follows:

	2002 £
Fixed assets	130,000
Goodwill arising on acquisition	625,000
	<hr/>
	755,000
	<hr/>
<b>Satisfied by:</b>	
Cash	755,000
	<hr/>

The book value of net assets before acquisition was £130,000 and there were no fair value adjustments arising on the acquisition. The goodwill on acquisition is being amortised in accordance with the group's accounting policies.

### 30. Pensions

A subsidiary of the group operated a funded pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the group. The scheme was closed to new members several years ago and no contributions have been payable.

The most recent actuarial valuation was carried out at 25 February 1995. No subsequent valuation has been carried out because all liabilities (and assets covering those liabilities) were secured with an insurance company. The directors have been informed that the Trustees of the scheme are not aware of any further liabilities and the Trustees are in the process of winding up the scheme.