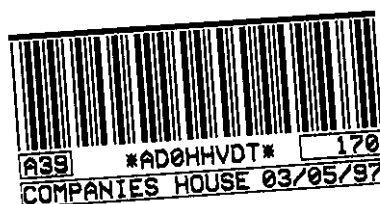


Company Registration No. 1882853 (England and Wales)

**ADMINSTORE LIMITED**

**ANNUAL REPORT**

**FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996**



# **ADMINSTORE LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	NM Patel JM Patel MM Patel
<b>Secretary</b>	AG Patel
<b>Company Number</b>	1882853
<b>Registered Office</b>	Europa House Northolt Industrial Estate Rowdell Road Northolt Middlesex UB5 5QR
<b>Registered Auditor</b>	Blick Rothenberg 12 York Gate Regent's Park London NW1 4QS
<b>Solicitors</b>	Paisner & Co Bouverie House 154 Fleet Street London EC4A 2DR
<b>Bankers</b>	Barclays Bank PLC Piccadilly Business Centre 1 - 3 Arlington Street London SW1A 1RA

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# ADMINSTORE LIMITED

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# **ADMINSTORE LIMITED**

## **DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996**

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The directors present their report and financial statements for the 52 weeks ended 28 September 1996.

### **Directors**

The directors who served during the period were:

NM Patel  
JM Patel  
MM Patel

They had the following interests in the shares of the company at the beginning and end of the period:

	1p Ordinary A shares Number	1p Ordinary B shares Number
NM Patel	125,000	-
JM Patel	-	583,333
MM Patel	125,000	-

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

The principal activity of the group continued to be that of retailers and wholesalers of groceries.

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 consolidated profit and loss account for the period is set out on page 4.

The directors recommend payment of an ordinary dividend amounting to £25,000.

The profit of £1,861,624 will be taken to reserves.

### **Fixed assets**

Changes in fixed assets during the period are explained in notes 8 to 10 to the financial statements.

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

The directors are of the opinion that the market value of the properties are in excess of values shown in the financial statements.

### **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**

The group made charitable contributions during the period amounting to £138,285 ( 1995: £209,000 ).

# ADMINSTORE LIMITED

## DIRECTORS' REPORT FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996

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### Auditors

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

### 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 the group and of the group's profit or loss 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;

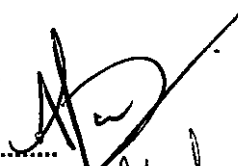
state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

prepare 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 company and the group 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 the group 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

.....  
  
27 Mar 1997

# ADMINSTORE LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS OF ADMINSTORE LIMITED

We have audited the financial statements on pages 4 to 21 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 8 and 9.

### 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

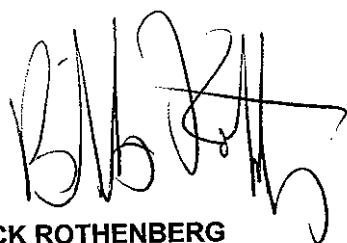
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and 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.

### Qualified opinion arising from disagreement about accounting treatment

As stated in note 1.11, investment properties (included in the group balance sheet at £5,143,888 and in the company balance sheet at £284,037) are stated partly at their 1989 and 1990 open market values and partly at their historic cost rather than, as required by Statement of Standard Accounting Practice No. 19, at their open market values. We are unable to quantify the effect, if any, on reserves and tangible fixed assets of this non-compliance.

Except for the effect on the balance sheet of not including investment properties at their open market value, in our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 28 September 1996 and of the group's profit for the 52 week period then ended and have been properly prepared in accordance with the Companies Act 1985.



**BLICK ROTHENBERG**  
Chartered Accountants  
Registered Auditor

27 Nov 1997

12 York Gate  
Regent's Park  
London  
NW1 4QS

# ADMINSTORE LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996

	Notes	1996 £	1995 £
Turnover	2	63,565,518	59,980,787
Net operating expenses	3	(59,944,606)	(58,182,206)
Operating profit	4	3,620,912	1,798,581
Interest payable and similar charges (net)	5	(795,288)	(845,066)
Profit on ordinary activities before taxation		2,825,624	953,515
Tax on profit on ordinary activities	6	(939,000)	(577,172)
Profit on ordinary activities after taxation		1,886,624	376,343
Dividends	7	(25,000)	-
Retained profit for the year	19	1,861,624	376,343

The profit and loss account has been prepared on the basis that all operations are continuing operations.

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

# ADMINSTORE LIMITED

## BALANCE SHEETS AS AT 28 SEPTEMBER 1996

	Notes	Group 1996 £	1995 £	Company 1996 £	1995 £
<b>Fixed assets</b>					
Intangible assets	8	1,445,059	1,386,142	-	-
Tangible assets	9	12,606,712	12,521,296	1,279,267	911,196
Investments	10	67,298	67,298	3,649,661	3,649,647
		<u>14,119,069</u>	<u>13,974,736</u>	<u>4,928,928</u>	<u>4,560,843</u>
<b>Current assets</b>					
Stock	12	3,128,158	2,960,544	107,017	198,885
Debtors	13	2,665,995	2,762,571	2,086,916	510,564
Investments	14	379,307	152,082	360,407	133,182
Cash at bank and in hand	15	2,805,272	642,325	200,000	200,000
		<u>8,978,732</u>	<u>6,517,522</u>	<u>2,754,340</u>	<u>1,042,631</u>
<b>Creditors: amounts falling due within one year</b>	16	(14,430,872)	(12,699,801)	(4,298,191)	(3,258,018)
<b>Net current liabilities</b>		<u>(5,452,140)</u>	<u>(6,182,279)</u>	<u>(1,543,851)</u>	<u>(2,215,387)</u>
<b>Total assets less current liabilities</b>		<u>8,666,929</u>	<u>7,792,457</u>	<u>3,385,077</u>	<u>2,345,456</u>
<b>Creditors: amounts falling due after more than one year</b>	17	(7,413,649)	(8,397,801)	(179,376)	(185,776)
Provisions for liabilities and charges		-	(3,000)	-	-
		<u>1,253,280</u>	<u>(608,344)</u>	<u>3,205,701</u>	<u>2,159,680</u>
<b>Capital and reserves</b>					
Called up share capital	18	50,000	50,000	50,000	50,000
Capital redemption reserve	19	1,950,000	1,950,000	1,950,000	1,950,000
Revaluation reserve	19	879,374	879,374	-	-
Profit and loss account	19	(1,626,094)	(3,487,718)	1,205,701	159,680
<b>Shareholders' funds-equity interests</b>	20	<u>1,253,280</u>	<u>(608,344)</u>	<u>3,205,701</u>	<u>2,159,680</u>

The financial statements were approved by the Board on 27 Mar 1997

MM Patel  
Director

JM Patel  
Director



# ADMINSTORE LIMITED

## CONSOLIDATED CASH FLOW STATEMENT FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996

	1996 £	1995 £
<b>Net cash inflow from operating activities</b>	<b>5,053,232</b>	<b>2,050,249</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	34,583	41,155
Interest paid	(820,976)	(882,840)
Interest element of finance lease rental payments	(8,895)	(3,381)
Dividend paid	(50,000)	-
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(845,288)</b>	<b>(845,066)</b>
<b>Taxation</b>		
Corporation tax paid (including advance corporation tax)	(831,401)	(1,092,993)
<b>Tax paid</b>	<b>(831,401)</b>	<b>(1,092,993)</b>
<b>Investing activities</b>		
Purchase of tangible fixed assets	(655,873)	(139,204)
Purchase of intangible fixed assets	(262,150)	-
Receipts from sales of tangible assets	40,700	523,840
Purchase of investments	(330,298)	(5,000)
Receipts from sales of investments	128,445	-
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(1,079,176)</b>	<b>379,636</b>
<b>Net cash inflow before financing</b>	<b>2,297,367</b>	<b>491,826</b>
<b>Cash flow from financing</b>		
Loan repayments	(457,230)	(458,151)
Capital repayments on finance leases	(26,450)	(35,011)
<b>Net cash outflow from financing</b>	<b>(483,680)</b>	<b>(493,162)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>1,813,687</b>	<b>(1,336)</b>

# ADMINSTORE LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996

1	Reconciliation of operating profit to net cash inflow from operating activities	1996	1995
		£	£
	Operating profit	3,620,912	1,798,581
	Depreciation and amortisation	764,901	859,460
	Profit on sale of tangible fixed assets	(31,911)	-
	Profit on sale of investments	(25,372)	-
	Movement in stocks	(167,614)	(222,508)
	Movement in debtors	102,287	(724,388)
	Movement in creditors	790,029	339,104
		<u>5,053,232</u>	<u>2,050,249</u>

### 2 Analysis of changes in cash and cash equivalents during the period

	Cash at bank	Bank borrowings	Total
	£	£	£
Balance at 1 October 1995	642,325	(2,507,894)	(1,865,569)
Movements	2,162,947	(349,260)	1,813,687
Balance at 28 September 1996	<u>2,805,272</u>	<u>(2,857,154)</u>	<u>(51,882)</u>

### 3 Analysis of changes in financing during the period

	Loan finance	Share capital	Hire purchase and finance leases
	£	£	£
Balance at 1 October 1995	8,632,977	50,000	73,954
Movements	(457,230)	-	(26,450)
Balance at 28 September 1996	<u>8,175,747</u>	<u>50,000</u>	<u>47,504</u>

# ADMINSTORE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996

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### 1 Accounting policies

#### 1.1 Compliance with and departure from accounting standards

The financial statements are prepared under the historical cost convention, modified to include the revaluation of properties, and in accordance with applicable accounting standards except that investment properties have not been included in the balance sheet at their open market value as required by Statement of Standard Accounting Practice No. 19. (see Note 1.11)

#### 1.2 Basis of consolidation

The group financial statements consolidate the financial statements of Adminstore Limited, all its subsidiary undertakings and its quasi-subsidiary undertaking drawn up to 28 September 1996. (see Note 11)

#### 1.3 Turnover

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

#### 1.4 Goodwill

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

#### 1.5 Tangible fixed assets and depreciation

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

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

#### 1.6 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.

#### 1.7 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.

#### 1.8 Pensions

The pension cost charge represents the contributions payable by the group to the individual pension schemes, set up by the employees for themselves.

#### 1.9 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

# ADMINSTORE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996

### 1.10 Repairs and renewals

Expenditure on repairs, renewals and certain equipment is written off in the year in which it is incurred.

Certain major items of fixed plant and structure are incorporated within the cost of freehold and leasehold property when purchased. When replaced, these are fully expensed as repairs and renewals in the profit and loss account.

### 1.11 Investment properties

Investment properties (see Note 9) are stated partly at their 1989 and 1990 open market values and partly at their historic costs. The directors consider that the cost of revaluation would be of no benefit to the shareholders.

Since no up to date professional estimate of the open market value of the investment properties has been obtained, it is not possible to quantify the effect on the financial statements of this departure from Statement of Standard Accounting Practice No. 19.

## 2 Turnover

The total turnover of the group for the 52 weeks has been derived from its principal activity wholly undertaken in the United Kingdom.

## 3 Net operating expenses

	1996 £	1995 £
Change in stocks	(167,614)	(222,508)
Other external charges	41,496,581	39,390,376
Staff costs	9,335,386	8,921,486
Depreciation and amortisation	764,901	859,460
Other operating charges	9,608,131	10,160,093
Other operating income	(1,092,779)	(926,701)
	<u>59,944,606</u>	<u>58,182,206</u>

## 4 Operating profit

	1996 £	1995 £
Operating profit is stated after charging:		
Auditors' remuneration - audit services (Company £3,951; 1995 £6,795)	52,000	43,000
- other services	16,000	4,000
Hire of plant and machinery	104,635	88,822
Other operating lease charges	3,135,866	3,086,721
Depreciation and amortisation	764,901	859,460
and after crediting:		
Rents receivable	705,752	740,405
Profit on disposal of tangible assets	31,911	4,327

# ADMINSTORE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996

5	Interest payable and similar charges	1996 £	1995 £
	Bank loans and overdrafts and all other loans wholly repayable within five years, not by instalments	81,889	115,994
	Borrowings repayable after five years	691,272	755,572
	All other interest	47,815	2,098
	Finance charges payable under finance leases and hire purchase contracts	8,895	12,557
	Interest receivable	(34,583)	(41,155)
		<u>795,288</u>	<u>845,066</u>
6	Taxation	1996 £	1995 £
	U.K. Current year taxation		
	U.K. Corporation tax at 33%	942,000	588,172
	Deferred taxation	(3,000)	(11,000)
		<u>939,000</u>	<u>577,172</u>
7	Dividends	1996 £	1995 £
	Proposed	25,000	-

# ADMINSTORE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996

### 8 Intangible fixed assets Group

	Goodwill on consolidation £	Purchased Goodwill £	Total £
<b>Cost</b>			
At 1 October 1995	3,340,356	100,000	3,440,356
Additions	-	262,150	262,150
At 28 September 1996	3,340,356	362,150	3,702,506
<b>Amortisation</b>			
At 1 October 1995	2,004,214	50,000	2,054,214
Charge for the period	167,018	36,215	203,233
At 28 September 1996	2,171,232	86,215	2,257,447
<b>Net book value</b>			
At 28 September 1996	1,169,124	275,935	1,445,059
At 30 September 1995	1,336,142	50,000	1,386,142

# ADMINSTORE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996

### 9 Tangible fixed assets Group

	Investment properties £	Freehold land and buildings £	Short leasehold properties £	Fixtures fittings and equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>						
At 1 October 1995	5,143,888	4,928,995	5,316,575	6,059,635	426,052	21,875,145
Additions	-	483,415	24,690	17,174	130,594	655,873
Disposals	-	-	(253,921)	-	(158,963)	(412,884)
Transfer	-	146,014	(146,014)	-	-	-
At 28 September 1996	5,143,888	5,558,424	4,941,330	6,076,809	397,683	22,118,134
<b>Depreciation</b>						
At 1 October 1995	-	368,249	2,981,581	5,683,109	320,910	9,353,849
On disposals	-	-	(253,921)	-	(150,174)	(404,095)
Charge for the period	-	68,832	269,825	160,604	62,407	561,668
At 28 September 1996	-	437,081	2,997,485	5,843,713	233,143	9,511,422
<b>Net book value</b>						
At 28 September 1996	5,143,888	5,121,343	1,943,845	233,096	164,540	12,606,712
At 30 September 1995	5,143,888	4,560,746	2,334,994	376,526	105,142	12,521,296

Comparable historical cost for the investment properties included at valuation:

Cost

£

4,264,514

# ADMINSTORE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996

### 9a Tangible fixed assets Company

	Investment property £	Freehold land and buildings £	Short leasehold properties £	Fixtures fittings and equipment £	Total £
<b>Cost</b>					
At 1 October 1995	284,037	252,985	502,522	500,794	1,540,338
Additions	-	483,415	-	-	483,415
Transfer to group undertakings	-	-	(3,008)	(158,280)	(161,288)
Transfer	-	146,014	(146,014)	-	-
At 28 September 1996	284,037	882,414	353,500	342,514	1,862,465
<b>Depreciation</b>					
At 1 October 1995	-	6,760	204,690	417,692	629,142
Charge for the period	-	11,772	19,212	-	30,984
Transfer to group undertakings	-	-	(1,748)	(75,180)	(76,928)
At 28 September 1996	-	18,532	222,154	342,512	583,198
<b>Net book value</b>					
At 28 September 1996	284,037	863,882	131,346	2	1,279,267
At 30 September 1995	284,037	246,225	297,832	83,102	911,196



# ADMINSTORE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996

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### 10 Fixed asset investments Group

Unlisted  
Investments  
£

#### Cost or valuation

At 1 October 1995 and at 28 September 1996

67,298

---

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

### 10a Fixed asset investments Company

Shares in  
subsidiary  
underakings  
£

#### Cost or valuation

At 1 October 1995

3,649,647

Additions

14

At 28 September 1996

3,649,661

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

# ADMINSTORE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996

### 10b Subsidiary undertakings of Adminstore Limited:

Name	Principal activity	Country of incorporation	% held
Europa Foods Limited	Retail grocers	England	100
The Country Market Limited	Retail grocers	England	100
Limeport Limited	Retail grocers	England	100
Salecastle Limited	Wholesalers of fruit and vegetables	England	100
La Boucherie Limited	Wholesalers of meat and poultry	England	100
Food & Wine Lovers Limited	Dormant	England	100
Kiwilight Limited	Dormant	England	100
Speedhalt Limited	Dormant	England	100
Harts The Grocer (ECR) Limited	Retail grocers	England	100
Harts The Grocers (Queensway) Limited	Retail grocers	England	100
Harts The Grocers (Fulham Road) Limited	Retail grocers	England	100
Harts The Grocer (Gloucester Road) Limited	Retail grocers	England	100
Harts The Grocers Limited	Dormant	England	100
Harts The Grocers (TCR) Limited	Dormant	England	100
Europa Warehouse Limited	Dormant	England	100
<b>Subsidiary undertaking of Europa Foods Limited:</b>			
Europa Foods (Belsize Park) Limited	Dormant	England	100
<b>Subsidiary undertaking of Food &amp; Wine Lovers Limited:</b>			
London & Home Counties Superstores Limited	Retail grocers	England	100
<b>Subsidiary undertaking of Kiwilight Limited:</b>			
Harts The Grocers (Russell Square) Limited	Retail grocers	England	100

All the shares held are £1 ordinary shares.

# ADMINSTORE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996

### 11 Adminstore Group Employee Trust

The consolidated financial statements include the accounts of the Adminstore Group Employee Trust, which the directors regard as a quasi-subsiary.

In the opinion of the directors, the Trust does not exhibit all of the main features of an ESOP trust set out in UITF Abstract 13: Accounting For ESOP Trusts, and therefore does not fall to be accounted for in the manner set out in that Abstract, but falls within the definition of a quasi-subsiary set out in FRS 5: Reporting the Substance of Transactions.

The summarised accounts of the Adminstore Group Employee Trust at 28 September 1996 are set out below:

Cash at bank	<u>£1,000,000</u>
Financed by:	
Capital account	<u>£1,000,000</u>

### 12 Stocks

	Group 1996 £	1995 £	Company 1996 £	1995 £
Finished goods and goods for resale	<u>3,128,158</u>	<u>2,960,544</u>	<u>107,017</u>	<u>198,885</u>

### 13 Debtors

#### Amounts falling due within one year

	Group 1996 £	1995 £	Company 1996 £	1995 £
Trade debtors	656,422	801,010	-	-
Advance corporation tax recoverable	27,903	15,402	27,903	15,403
Amounts owed by subsidiary undertakings	-	-	1,447,486	-
Other debtors	1,176,560	1,145,118	605,277	482,661
Prepayments and accrued income	798,860	788,541	-	-
	<u>2,659,745</u>	<u>2,750,071</u>	<u>2,080,666</u>	<u>498,064</u>

#### Amounts falling due after one year

Advance corporation tax recoverable	6,250	12,500	6,250	12,500
	<u>2,665,995</u>	<u>2,762,571</u>	<u>2,086,916</u>	<u>510,564</u>

# ADMINSTORE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996

14	Current asset investments	Group		Company	
		1996	1995	1996	1995
		£	£	£	£
	At cost				
	Listed on the London Stock Exchange	364,307	137,082	360,407	133,182
	Unlisted investment	15,000	15,000	-	-
		<u>379,307</u>	<u>152,082</u>	<u>360,407</u>	<u>133,182</u>

The directors are of the opinion that the current value of the unlisted investment is at least equal to the value at which it is stated.

### 15 Cash at bank and in hand

Consolidated cash at bank includes £1,000,000 held by the Adminstore Group Employee Trust.  
(see Note 11)

### 16 Creditors: amounts falling due within one year

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Bank loans and overdrafts	3,656,226	2,790,574	1,326,631	739,090
Trade creditors	5,979,930	5,325,969	-	-
Expense creditors	539,800	491,771	-	-
Obligations under finance leases and hire purchase contracts	10,530	26,450	-	-
Amounts owed to subsidiary undertakings	-	-	2,639,323	2,271,270
Corporation tax	930,465	815,335	164,265	16,000
Other taxes and social security costs	524,074	670,900	6,250	32,903
Other creditors	770,719	718,101	136,722	36,680
Accruals and deferred income	1,994,128	1,810,701	-	112,075
Proposed dividends	25,000	50,000	25,000	50,000
	<u>14,430,872</u>	<u>12,699,801</u>	<u>4,298,191</u>	<u>3,258,018</u>

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

# ADMINSTORE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996

### 17 Creditors: amounts falling due after more than one year

	Group		Company	
	1996	1995	1996	1995
	£	£	£	£
Bank loans	7,376,675	8,350,297	179,376	185,776
Obligations under finance leases and hire purchase contracts	36,974	47,504	-	-
	<u>7,413,649</u>	<u>8,397,801</u>	<u>179,376</u>	<u>185,776</u>
<b>Analysis of loans</b>				
Repayable by instalments wholly or partly in more than five years:				
Bank loans (see note below)	7,505,358	7,951,461	189,176	195,576
Repayable other than by instalments in more than five years:				
Bank loan at variable rate due for repayment by April 2015	440,389	451,516	-	-
Wholly repayable within five years	230,000	230,000	-	-
	<u>8,175,747</u>	<u>8,632,977</u>	<u>189,176</u>	<u>195,576</u>
Included in liabilities falling due within one year	(799,072)	(282,680)	(9,800)	(9,800)
	<u>7,376,675</u>	<u>8,350,297</u>	<u>179,376</u>	<u>185,776</u>
Instalments not due within five years	<u>5,100,387</u>	<u>6,989,577</u>	<u>140,176</u>	<u>146,576</u>
<b>Maturity of debt</b>				
Between one and two years	569,072	512,680	9,800	9,800
Between two and five years	1,707,216	848,040	29,400	29,400
In five years or more	5,100,387	6,989,577	140,176	146,576
	<u>7,376,675</u>	<u>8,350,297</u>	<u>179,376</u>	<u>185,776</u>

The bank loans repayable by instalments are at interest rates between 1.25% and 2.5% over LIBOR and 2% over base rate and are due for repayment between March 2004 and October 2014.

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

# ADMINSTORE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996

### 18 Share capital

	1996 £	1995 £
<b>Authorised</b>		
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
9% Participating cumulative redeemable shares of 1p each	1,950,000	1,950,000
	<u>2,000,000</u>	<u>2,000,000</u>

	1996 £	1995 £
<b>Allotted, called up and fully paid:</b>		
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
	<u>50,000</u>	<u>50,000</u>

### 19 Statement of movement on reserves Group

	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total £
Balance at 1 October 1995	1,950,000	879,374	(3,487,718)	(658,344)
Retained profit for the year	-	-	1,861,624	1,861,624
Balance at 28 September 1996	<u>1,950,000</u>	<u>879,374</u>	<u>(1,626,094)</u>	<u>1,203,280</u>

The revaluation reserve relates to the revaluation of investment properties.

### Statement of movement on reserves Company

	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total £
Balance at 1 October 1995	1,950,000	-	159,680	2,109,680
Retained profit for the year	-	-	1,046,021	1,046,021
Balance at 28 September 1996	<u>1,950,000</u>	<u>-</u>	<u>1,205,701</u>	<u>3,155,701</u>

The directors have taken advantage of the exemption under Section 230 of the Companies Act 1985 from the requirement to prepare a separate profit and loss account for the company, Adminstore Limited.

The profit for the financial period for the company is £1,071,021.

# ADMINSTORE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996

### 20 Reconciliation of movements in shareholders' funds Group

	1996 £	1995 £
Profit for the financial year	1,886,624	376,343
Dividends	(25,000)	-
Net increase in shareholders' funds	1,861,624	376,343
Opening shareholders' funds	(608,344)	(984,687)
Closing shareholders' funds	1,253,280	(608,344)

### 21 Contingent liabilities Company

Amount of guarantees of bank overdrafts and loans of group undertakings	1,540,323	1,818,179
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### 22 Financial commitments

At 28 September 1996 the group and company had annual commitments under non-cancellable operating leases as follows:

Group	Land and buildings	
	1996 £	1995 £
Leases expiring:		
Within one year	38,050	75,328
Between two and five years	236,426	320,315
More than five years	2,676,621	2,663,992
	2,951,097	3,059,635
Company	£	£
Leases expiring:		
More than five years	201,700	452,700

# ADMINSTORE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE 52 WEEKS ENDED 28 SEPTEMBER 1996

### 23 Directors' interests

The directors had interests in the following transactions, arrangements and agreements which existed during the period:

- (a) A management charge is payable to the following entities in which the stated directors have interests:

		1996 £	1995 £
Crispins Food and Wine	(JM Patel)	464,000	440,000
Colorama Associates	(NM Patel, MM Patel)	380,000	356,000
		<u>844,000</u>	<u>796,000</u>

- (b) The group sold goods during the period to entities in which the directors or their immediate families have an interest. The sales amounted to £1,994,948 (1995 £2,166,266) and were at arms length.
- (c) The group paid rent during the period for certain of the premises to the directors and their immediate families at the current market rate. The rent amounted to £66,296 (1995 £176,900).
- (d) The company and the group made loans of £65,000 and £129,101, respectively, to an entity of which JM Patel and MM Patel are directors. Neither JM Patel or MM Patel hold any interest in this entity.
- (e) During the period the group acquired a leasehold for £24,690 and goodwill for £262,150 from connected persons of JM Patel and MM Patel.

### 24 Employees

#### Number of employees

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

	1996 Number	1995 Number
Administration	94	107
Shop assistants and warehouse staff	921	942
	<u>1,015</u>	<u>1,049</u>

#### Employment costs

	£	£
Wages and salaries	8,642,739	8,245,682
Social security costs	666,361	650,241
Other pension costs	26,286	25,563
	<u>9,335,386</u>	<u>8,921,486</u>