

1948839

MILLS NEWSAGENTS LIMITED

MODIFIED ACCOUNTS

31 JANUARY 1988

WALKER UPTON

Chartered Accountants
47 St Georges Terrace
Jesmond
Newcastle upon Tyne
NE2 2SX

MILLS NEWSAGENTS LIMITED


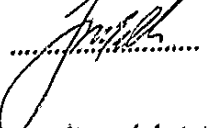
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MILLS NEWSAGENTS LIMITED
BALANCE SHEET AS AT 31 JANUARY 1988

	<u>Notes</u>	<u>1988</u>	<u>1987</u>
	£	£	£
FIXED ASSETS			
Intangible assets	407,347	259,747	
Tangible assets	277,821	283,262	
Investment in subsidiary company	<u>181,500</u>	<u>120,600</u>	
		866,668	663,609
CURRENT ASSETS			
Stocks	158,019	111,857	
Debtors	38,535	26,334	
Cash at bank and in hand	<u>226</u>	<u>9,044</u>	
	196,780	147,235	
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	<u>507,267</u>	<u>358,736</u>	
NET CURRENT LIABILITIES		<u>(310,487)</u>	<u>(211,501)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		556,181	452,108
Creditors: Amounts falling due after more than one year		<u>434,690</u>	<u>421,368</u>
NET ASSETS		<u>121,491</u>	<u>30,740</u>
CAPITAL AND RESERVES			
Called up share capital	2	60,100	100
Reserves		<u>61,391</u>	<u>30,640</u>
		<u>121,491</u>	<u>30,740</u>

We have relied on Section 247 and Section 249 of the Companies Act 1985 entitling us to deliver modified accounts and have done so on the basis that the company is entitled to the benefit of those sections as a small company.

 N J MILLS)
 J R MILLS)

The financial statements were approved by the Board of Directors on 15 March 1988.

The notes on pages 2 to 3 form part of these financial statements.

MILLS NEWSAGENTS LIMITED

NOTES TO THE ACCOUNTS

31 JANUARY 1988

1 ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention.

b) Depreciation

Tangible assets (other than freehold property) are depreciated on a straight line basis at annual rates estimated to write off their book value over the term of their estimated useful lives. Details of depreciation rates are as follows:

Freehold	-nil
Leasehold	-over the duration of the lease
Retailing shop equipment and fixtures and fittings	-between 5% and 15% pa on cost
Motor cars	-25% pa on cost
Leasehold improvements	-10% pa on cost

c) Stocks

Stocks are valued at the lower of cost and net realisable value. Cost represents the invoiced cost of goods purchased for resale.

d) Taxation

Taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. However, no provision is made for taxation deferred by reliefs, principally accelerated taxation allowances on UK capital expenditure, if there is reasonable evidence that such deferred taxation will not be payable in the future.

e) Trade values

The trade values of retail outlets are shown in the financial statements as intangible assets at cost. In the opinion of the directors, the current demand for newsagents businesses indicates the maintenance and probable enhancement of these values. Accordingly no amortisation has been provided, which is a departure from the provisions of SSAP 22.

The directors also consider that the aggregate value of the retail outlets, if they were sold as a Group, would significantly exceed book value.

f) Operating leases

Rentals on leasehold properties are expended in the year to which they relate.

MILLS NEWSAGENTS LIMITED

NOTES TO THE ACCOUNTS

31 JANUARY 1988 (continued)

2 CALLED UP SHARE CAPITAL

Authorised

100,000 Ordinary Shares of £ 1 each

100,000

Allotted, called up and fully paid

60,100 Ordinary Shares of £ 1 each

60,100

3 OPERATING LEASE COMMITMENTS

At 31 January 1988, the company had annual commitments under operating leases, as set out below:

	Land and <u>Buildings</u> £
After more than five years	31,750

The majority of leases of land and buildings are subject to periodic rent reviews.

MILLS NEWSAGENTS LIMITED

**AUDITORS REPORT TO THE DIRECTORS UNDER PARAGRAPH 10
OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have reviewed the modified accounts set out on pages 1 to 3 for the year ended 31 January 1988. In our opinion, the directors are entitled to deliver accounts modified as for a small company in respect of the year as claimed in their statement on page 1 and the modified accounts have been properly prepared as such in accordance with schedule 8 to the Companies Act 1985.

We reported as auditors of Mills Newsagents Limited to the members on 15 March 1988 on the company's financial statements prepared under Section 227 of the Companies Act 1985 for the year ended 31 January 1988 as follows:

"We have audited the financial statements on pages 2 to 11. Our audit was conducted in accordance with approved auditing standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's financial affairs at 31 January 1988 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985".

WALKER UPTON

CHARTERED ACCOUNTANTS

42 St Georges Terrace
Jesmond
Newcastle upon Tyne
NE2 2SX

15 March 1988