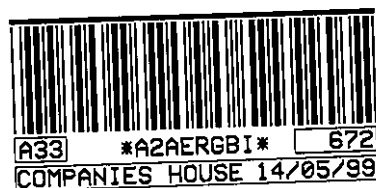


Registration Number 3352798  
England and Wales

**'Nearbuys' Convenience Stores Limited**  
**Director's Report and Financial Statements**  
**for the period 15 April 1997 to 30 April 1998**



## **'Nearbuys' Convenience Stores Limited**

### **Company Information**

Director	David John Patient
Secretary	Sherran Patient
Registered Number	3352798 England and Wales
Registered Office	1 The Shrubberies George Lane London E18 1BD
Auditors	Ismail Sharp Chartered Accountants and Registered Auditors 820a Green Lane London N21 2RT
Business Address	20/22 Dovervelt Road Canvey Island Essex SS8 8DY
Bankers	Midland Bank plc 74 High Street Barkingside Essex IG6 2DN

# **'Nearbuys' Convenience Stores Limited**

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# **'Nearbuys' Convenience Stores Limited**

## **Director's Report for the period 15 April 1997 to 30 April 1998**

The director presents his first report with the audited financial statements of the company for the period 15 April 1997 to 30 April 1998.

### **Incorporation**

The company was incorporated on 15 April 1997.

### **Acquired Operations**

The company acquired the business of a retail convenience store on 25 July 1997 and commenced trading on that date.

### **Principal Activity**

The principal activity of the company continues to be that of a retail convenience store.

### **Director and his Interest**

The director in office in the period, and his beneficial interest in the company's issued share capital at the beginning and end of the period, was as follows:

	<b>Ordinary shares of £1 each</b>	
	<b>Beginning</b>	<b>End</b>
David John Patient (appointed 15 April 1997)	-	2
Rapid Nominess Limited (appointed and resigned in 15 April 1997)	1	-

### **Director's Responsibilities**

Company law requires the director to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements based on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

### **Auditors**

Ismail Sharp were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985. A resolution proposing their reappointment will be put to the Annual General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies of Part VII of the Companies Act 1985.

This report was approved by the Board on and signed on its behalf by



**Sherran Patient**  
Secretary

**'Nearbuys' Convenience Stores Limited**

**Auditors' Report to the Shareholders of 'Nearbuys' Convenience Stores Limited**

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

**Respective responsibilities of director and auditors**

As described on page 1 the company's director is 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.

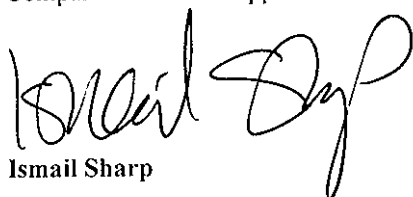
**Basis of opinion**

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 director in the preparation of the financial statements, and 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 30 April 1998 and of its profit for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Ismail Sharp

**Chartered Accountants and  
Registered Auditors**

820a Green Lane  
London N21 2RT

13th May 1999.

**'Nearbuys' Convenience Stores Limited**

**Profit and Loss Account  
for the period 15 April 1997 to 30 April 1998**

		Acquired and continuing operations
		1998
	Notes	£
<b>Turnover</b>	<b>2</b>	406,896
Cost of sales		(326,373)
<b>Gross profit</b>		<u>80,523</u>
Administrative expenses		(70,434)
Other operating income		9,322
<b>Operating profit</b>	<b>3</b>	<u>19,411</u>
Interest payable	<b>4</b>	(6,344)
<b>Profit on ordinary activities before taxation</b>		<u>13,067</u>
Taxation	<b>5</b>	(4,702)
<b>Profit for the financial period after taxation</b>		<u>8,365</u>
Dividend paid		(5,500)
<b>Retained profit for the financial period</b>		<u>2,865</u>

There are no recognised gains or losses other than the profit or loss for the above financial period.

The notes on pages 5 to 9 form an integral part of these financial statements.

**'Nearbuys' Convenience Stores Limited**

**Balance Sheet  
as at 30 April 1998**

	Notes	1998	
		£	£
<b>Fixed Assets</b>			
Intangible assets	6		46,391
Tangible assets	7		56,923
			<u>103,314</u>
<b>Current Assets</b>			
Stocks		39,413	
Debtors	8	4,004	
Cash in hand		400	
		<u>43,817</u>	
<b>Creditors: amounts falling due within one year</b>	9	(80,778)	
<b>Net Current Liabilities</b>			<u>(36,961)</u>
<b>Total Assets Less Current Liabilities</b>			66,353
<b>Creditors: amounts falling due after more than one year</b>	10		(60,504)
<b>Provision for Liabilities and Charges</b>	11		(2,982)
<b>Net Assets</b>			<u>2,867</u>
<b>Capital and Reserves</b>			
Called up share capital	12		2
Profit and loss account			2,865
<b>Equity Shareholders' Funds</b>	13		<u>2,867</u>

These financial statements have been prepared in accordance with the special provisions relating small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

The financial statements were approved by the Board on and signed on its behalf by



David John Patient  
Director

13th May 1999.

The notes on pages 5 to 9 form an integral part of these financial statements.

**'Nearbuys' Convenience Stores Limited**  
**Notes to the Financial Statements**  
**for the period 15 April 1997 to 30 April 1998**

**1. Accounting Policies**

**1.1 Accounting convention**

The financial statements are prepared under the historical cost convention, and include the results of the company's operations which are described in the Director's Report, all of which are continuing

The financial statements do not include a cash flow statement because the company, as a small reporting entity is exempt from the requirement to produce such a statement under Financial Reporting Standard 1 "Cash flow statements".

**1.2 Turnover**

Turnover represents the value of goods supplied, excluding value added tax.

**1.3 Goodwill**

Acquired goodwill is written off in equal annual instalments over the remaining life of the property lease which is its expected useful economic life.

**1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold property            -     straight line over the remaining life of the property lease

Fixtures, fittings  
and equipment                       -     straight line over the remaining life of the property lease

**1.5 Leasing**

Rentals payable under operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

**1.6 Stock**

Stock is valued at the lower of cost and net realisable value, after making due allowance for damaged and slow-moving items.

**1.7 Deferred taxation**

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

**2. Turnover**

The total turnover of the company for the period has been derived from its principal activity undertaken wholly in the United Kingdom.



**'Nearbuys' Convenience Stores Limited**

**Notes to the Financial Statements  
for the period 15 April 1997 to 30 April 1998**

3.	Operating profit	1998
		£
	Operating profit is stated after charging:	
	Amortisation of intangible fixed assets	5,867
	Depreciation of tangible fixed assets	7,198
	Operating lease rentals	
	- hire of equipment	49
	- land and buildings	7,285
	Auditors' remuneration	1,000
		=
4.	Interest payable	1998
		£
	Bank loans and overdraft	6,344
		=
5.	Taxation	1998
		£
	United Kingdom current year taxation	
	Corporation Tax at 21%	1,720
	Transfer to deferred taxation	2,982
		4,702
		=
6.	Intangible fixed assets	
		Goodwill
		Total
		£
		£
	Cost	
	Additions	52,258
	At 30 April 1998	52,258
	Provision for diminution in value	
	Charge for period	5,867
	At 30 April 1998	5,867
	Net book value	
	At 30 April 1998	46,391
		46,391

**'Nearbuys' Convenience Stores Limited**

**Notes to the Financial Statements  
for the period 15 April 1997 to 30 April 1998**

**7. Tangible fixed assets**

	<b>Short leasehold property</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
Additions	27,500	36,621	64,121
At 30 April 1998	27,500	36,621	64,121
<b>Depreciation</b>			
Charge for period	3,087	4,111	7,198
At 30 April 1998	3,087	4,111	7,198
<b>Net book value</b>			
At 30 April 1998	24,413	32,510	56,923

**8. Debtors**

	<b>1998 £</b>
Trade debtors	1,534
Prepayments	2,470
	4,004

**9. Creditors: amounts falling due  
within one year**

	<b>1998 £</b>
Bank overdraft	16,572
Bank loans	10,639
Trade creditors	45,668
Corporation tax	1,720
Social security and other taxes	1,351
Accruals	4,828
	80,778

**'Nearbuys' Convenience Stores Limited**

**Notes to the Financial Statements  
for the period 15 April 1997 to 30 April 1998**

<b>10. Creditors: amounts falling due after more than one year</b>	<b>1998 £</b>
Bank loan	60,504
	<hr/>
Bank loans outstanding at the balance sheet date are payable in annual instalments, plus interest, as follows:	
Repayable in one year or less, or on demand (Note 9)	10,639
Repayable between one and two years	9,766
Repayable between two and five years	34,652
Repayable in five years or more	16,086
	<hr/>
	71,143
	<hr/>

Of the creditors falling due within one year and after more than one year £87,715 is secured by fixed and floating charges over the company's assets and a mortgage over the short leasehold property.

**11. Provisions for liabilities and charges**

Deferred tax is analysed over the following timing differences:

	<b>Provided 1998 £</b>
Accelerated capital allowances	2,982
	<hr/>

Movements on the provision for deferred taxation are:

	<b>1998 £</b>
Charge for period	2,982
Provision carried forward	<hr/>
	2,982
	<hr/>

Provision has been made for the full potential deferred taxation liability.

<b>12. Share capital</b>	<b>1998 £</b>
<b>Authorised equity</b>	
1,000 Ordinary shares of £1 each	1,000
	<hr/>
<b>Allotted, called up and fully paid equity</b>	
2 Ordinary shares of £1 each	2
	<hr/>

**'Nearbuys' Convenience Stores Limited**

**Notes to the Financial Statements  
for the period 15 April 1997 to 30 April 1998**

**13. Reconciliation of movements in shareholders' funds**

	<b>1998</b>
	<b>£</b>
Profit for the financial period after taxation	8,365
Dividend paid	(5,500)
	<hr/>
	2,865
Proceeds of equity share issue	2
	<hr/>
Net addition to shareholders' funds	2,867
	<hr/>

**14. Financial commitments**

At 30 April 1998 the company had annual commitments under non-cancellable operating leases as follows:

	<b>Land and buildings</b>
	<b>1998</b>
	<b>£</b>
Expiry date:	
More than five years	9,500
	<hr/>

**15. Ultimate controller**

In the opinion of the director, David John Patient, who controls 100% of the shares of the company, is the company's ultimate controller.

**16. Going concern**

The director has prepared these financial statements on the basis that the company's creditors will not withdraw their facilities in the foreseeable future.