

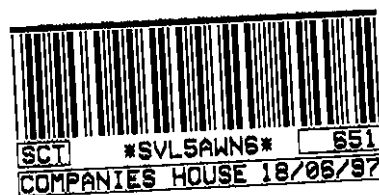
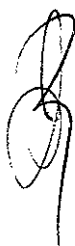
13150

**JENNERS PRINCES STREET  
EDINBURGH LIMITED**

**Report and Accounts**

31 January 1997

**ERNST & YOUNG**



**DIRECTORS**

R.A.G. Douglas Miller	Chairman
D.J. Bryans	Joint Merchandise Director (resigned 16 October 1996)
A.G. Douglas Miller	Managing Director
R.P. Douglas Miller	Deputy Managing Director
K.N. Grant	Merchandise Director
S.R.A. Wyeth	Non-Executive Director
T. Daniels	Non-Executive Director (resigned 2 September 1996)

**NOTICE OF MEETING**

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 48 Princes Street, Edinburgh on 3 June 1997 at 11am to transact the following business:

1. To receive and adopt the Directors' Report and Statement of Accounts for the year ended 31 January 1997.
2. To declare a dividend on the Ordinary Share Capital.
3. In accordance with Article 75 of the Articles of Association to determine the maximum aggregate amount of Directors' fees payable per annum.
4. To re-appoint Ernst & Young, Chartered Accountants, as the Company's auditors and to authorise the Directors to fix their remuneration.

By order of the board

Secretary

**REGISTERED OFFICE**

48 Princes Street  
Edinburgh  
EH2 2YJ

**NOTES:**

1. Only holders of Ordinary Shares are entitled to attend and vote at the Annual General Meeting.
2. A member who is entitled to attend and vote at this meeting may appoint a proxy or proxies to attend and vote in his stead. A proxy need not be a member of the Company.
3. The following information is available for inspection at the Registered Office of the Company on weekdays (except Saturdays) during normal business hours from the date of this notice until the conclusion of the Annual General Meeting:-

A statement of the Directors' transactions and of their families' interests in the Share Capital of the Company.

# JENNERS PRINCES STREET EDINBURGH LIMITED

## REPORT OF THE DIRECTORS

The Directors present their report and the Group accounts for the year ended 31 January 1997.

### RESULTS AND DIVIDENDS

The Group profit on ordinary activities after tax amounted to £2,591,652 (1996: £2,430,487). After taking account of dividends the sum of £1,609,412 (1996: £1,628,847) is transferred to Reserves.

The Directors propose a final dividend on the ordinary shares of 40p per share making, with the interim dividend already paid, 100p per share for the year. The proposed dividend, if approved, will be paid on 13 June 1997.

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The Company's principal activity is operating one of the leading department stores in Europe and it also derives income from other heritable properties.

Our turnover rose by 10% last year. Trading conditions were better than we expected, particularly during the Festival, before Christmas and during our Winter Sale, therefore both our sales and margins improved. Although the economic climate was more favourable than in 1995, much of this successful result was due to our own efforts. We should like to thank our Management and Staff for the skill and hard work which have produced this and which gives further confidence for the future.

The current year has started satisfactorily with sales modestly ahead of last year. The China Department refurbishment and the associated work, which is the biggest single internal job we have undertaken has gone well and is now completed. Looking further ahead, the taxation policies of the next Government, particularly how they affect Scotland, will have a great bearing on our success over the next 5 years. We depend, of course, on the prosperity of our customers but we are also well aware of the dangers of increased local authority taxation which has a serious effect on the costs of running this Company.

### FIXED ASSETS

Note 8 shows fixed asset additions of £824,621 last year.

The major external refurbishment, which started in the spring of 1995, was completed in November last year, only slightly behind schedule. The scaffolding remaining at that time was left in place until January to avoid disruption to the important Christmas and Sale trade.

As indicated in last year's Report, the need for more extensive repairs than originally provided for became apparent as work progressed. This continued throughout the whole job and final costs were some £350,000 more than originally contracted for.

After providing a further £100,000 in the 1995/96 Accounts the balance of the total cost has been borne in this year's Accounts.

Although the final cost was materially in excess of the original estimate, there is no doubt that the appearance of the store is greatly improved and the fabric is now in a satisfactory and safe condition.

### MARKET VALUE OF LAND AND BUILDINGS

In the opinion of the Directors, the value to the Company of its heritable properties is in excess of the amount shown in the Accounts.

REPORT OF THE DIRECTORS

---

**GOING CONCERN**

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and for this reason they continue to adopt the going concern basis in preparing the accounts.

**CHARITABLE AND POLITICAL CONTRIBUTIONS**

During the year the Company made contributions of £10,993 for charitable purposes and £700 to Conservative Party Funds.

**EMPLOYEE INVOLVEMENT**

Management and Staff Employee Committees continue to be effective in facilitating communications to and from all levels within the Company.

In addition we have meetings attended by all employees at which the Company's results for the past year and its aims for the coming year are analysed and discussed.

**DISABLED EMPLOYEES**

It is Company policy to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Whenever possible, arrangements are made to continue the employment of persons who have become disabled during their service with the Company. Disablement need not be a barrier to the training, career development and promotion of disabled persons.

**DIRECTORS AND THEIR INTERESTS**

There have been a number of changes to the Board this year.

On 1 September Mr. Robert A.G. Douglas Miller ceased to be Managing Director after 25 years in this position. Mr. Andrew Douglas Miller was appointed to succeed him. Mr. Robert P. Douglas Miller took over as Deputy Managing Director. Mr. Robert A.G. Douglas Miller continues as Chairman.

Mr. S.R.A. Wyeth has indicated his wish to retire at this time and does not wish to offer himself for re-election.

Mr. Simon Wyeth joined the company in 1981 as a non-executive Director and consultant. Many of the initiatives and disciplines which have resulted in the great improvement in our merchandise selection, over the last 20 years have been suggested and implemented by him. During this time he has worked ceaselessly and painstakingly on behalf of the company. We would like to record our appreciation of the very large contribution he has made to the company over this time and wish him well in his retirement.

In accordance with the Articles of Association there is no requirement for another Director to retire by rotation.

In last year's Report we said that Mr. Tim Daniels was going to join us in July as a non-executive Director and he was appointed as a Director on 1 July 1996. Unfortunately family commitments forced him to resign his Directorship on 2 September 1996.

On 16 October Mr. Dennis Bryans resigned for personal reasons. We would like to record our appreciation of the contribution he made to the company over the last 12 years.

No Director has a service contract of more than one year's duration.

The Directors serving during the year are listed on page 1.

# JENNERS PRINCES STREET EDINBURGH LIMITED

## REPORT OF THE DIRECTORS

### DIRECTORS AND THEIR INTERESTS (continued)

According to the Register kept for this purpose, the interests of the Directors and those of their families in the capital of the Company are as follows:-

	At 31 January 1997		At 31 January 1996 or date of appointment	
	Ordinary shares	10% Cum Pref shares	Ordinary shares	10% Cum Pref shares
Beneficial:				
R.A.G. Douglas Miller	98,066	105,968	91,261	97,367
S.R.A. Wyeth	500	-	500	-
A.G. Douglas Miller	56,214	19,402	56,114	19,402
R.P. Douglas Miller	50,324	28,995	50,224	28,995
K.N. Grant	-	-	-	-
Non-beneficial				
R.A.G. Douglas Miller	134,379	147,904	192,019	216,712
R.P. Douglas Miller	26,013	-	-	-

#### Note:

No Director had any beneficial interest in any contract with the Company or its subsidiary Company during or at the end of the year.

### RETAIL CONSULTANT

Mr. Tony Salem, formerly Managing Director of Liberty, has joined us as a consultant.

### SUBSTANTIAL SHAREHOLDERS

Other than the Directors' shareholdings the following substantial shareholdings existed at 24 April 1997.

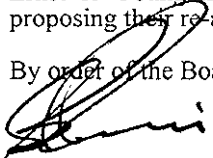
	Ordinary shares
The Trustees of the late Mr. A.M. Kennedy (Senior)	25,632
The Trustees of the late Mr. A.M. Kennedy	60,470
Miss C.M. Kennedy	50,232
Dr. C.R. Kennedy	50,391
Ms J.H. Kennedy	50,232
Dr. R.K.I. Kennedy	41,152
Mr. C. Lawrie	25,706
Dr. I.M. Macmichael	25,314
Mr. E.J. Douglas Miller	50,322
Miss E.L.J. Douglas Miller	34,184
The Trustees of the late Mr. F.G. Douglas Miller	26,013

Except as stated above the Company has not received notification that any person holds more than 3% of the issued ordinary share capital.

### AUDITORS

Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

By order of the Board

  
S B Reid  
Secretary

24 April 1997

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period. In preparing those accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The Directors confirm that the accounts comply with the above requirements.

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 accounts comply with the Companies Act 1985. They 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.

**REPORT OF THE AUDITORS**  
**to the members of Jenners Princes Street Edinburgh Limited**

We have audited the accounts on pages 7 to 17, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 11.

**Respective responsibilities of directors and auditors**

As described on page 5 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

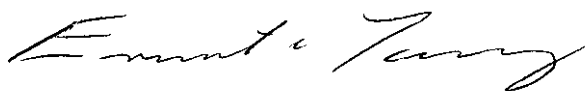
**Basis of opinion**

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company and of the group as at 31 January 1997 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants  
Registered Auditor  
Edinburgh



# JENNERS PRINCES STREET EDINBURGH LIMITED

## GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 1997

	Notes	1997 £	1996 £
<b>TURNOVER</b>	2	46,019,087	41,811,752
Cost of sales		(32,063,323)	(29,268,074)
Gross profit		13,955,764	12,543,678
Selling and administrative expenses (including exceptional item)	4	(10,802,011)	(9,742,363)
		3,153,753	2,801,315
Net rental income		459,792	446,448
<b>OPERATING PROFIT</b>	3	3,613,545	3,247,763
Interest receivable on deposits		472,881	450,686
Interest payable	5	(490)	(686)
		472,391	450,000
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	4,085,936	3,697,763
Tax on profit on ordinary activities	6	(1,494,284)	(1,267,276)
<b>PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY</b>			
of which £2,591,652 (1996: £2,430,487) has been dealt with in the accounts of the parent company		2,591,652	2,430,487
<b>DIVIDENDS</b>			
Preference dividend on non-equity shares		142,240	142,240
Ordinary dividend on equity shares		840,000	659,400
	7	982,240	801,640
<b>PROFIT TRANSFERRED TO RESERVES</b>		1,609,412	1,628,847
<b>STATEMENT OF RETAINED PROFITS</b>			
Retained profit at beginning of year		16,355,217	14,726,370
Retained profit for year		1,609,412	1,628,847
<b>RETAINED PROFIT AT END OF YEAR</b>		17,964,629	16,355,217

There are no recognised gains or losses other than the profit attributable to shareholders of the Group of £2,591,652 in the year ended 31 January 1997 and £2,430,487 in the year ended 31 January 1996.

# JENNERS PRINCES STREET EDINBURGH LIMITED

## GROUP BALANCE SHEET AT 31 JANUARY 1997

	Notes	1997 £	1996 £
<b>FIXED ASSETS</b>			
Tangible assets	8	6,044,912	5,991,460
<b>CURRENT ASSETS</b>			
Stocks		6,815,763	5,909,639
Debtors	10	3,041,762	3,082,084
Cash at bank and in hand	11	10,269,814	10,246,218
		20,127,339	19,237,941
<b>CREDITORS:</b> amounts falling due within one year	12	6,007,644	5,313,511
<b>NET CURRENT ASSETS</b>		14,119,695	13,924,430
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		20,164,607	19,915,890
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	13	(84,000)	(87,150)
Provision for building repairs	14	-	1,363,845
		(84,000)	1,276,695
		20,248,607	18,639,195
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	2,262,400	2,262,400
Capital redemption reserve		21,578	21,578
Revenue reserves	16	17,964,629	16,355,217
Shareholders' funds:			
Equity		18,826,207	17,216,795
Non-equity		1,422,400	1,422,400
<b>Total</b>		20,248,607	18,639,195

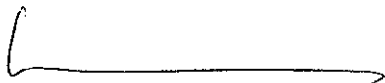
  
Director

24 April 1997

# JENNERS PRINCES STREET EDINBURGH LIMITED

## BALANCE SHEET AT 31 JANUARY 1997

	Notes	1997 £	1996 £
<b>FIXED ASSETS</b>			
Tangible assets	8	6,044,912	5,991,460
Investment in subsidiary undertaking	9	7,000	7,000
		<u>6,051,912</u>	<u>5,998,460</u>
<b>CURRENT ASSETS</b>			
Stocks		6,815,763	5,909,639
Debtors	10	3,041,762	3,082,084
Cash at bank and in hand	11	10,269,814	10,246,218
		<u>20,127,339</u>	<u>19,237,941</u>
<b>CREDITORS: amounts falling due within one year</b>	12	6,231,335	5,537,202
<b>NET CURRENT ASSETS</b>		<u>13,896,004</u>	<u>13,700,739</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>19,947,916</u>	<u>19,699,199</u>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	13	(84,000)	(87,150)
Provision for building repairs	14	-	1,363,845
		<u>(84,000)</u>	<u>1,276,695</u>
		<u>20,031,916</u>	<u>18,422,504</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	15	2,262,400	2,262,400
Capital redemption reserve		21,578	21,578
Revenue reserves	16	17,747,938	16,138,526
Shareholders' funds:			
Equity		<u>18,609,516</u>	<u>17,000,104</u>
Non-equity		<u>1,422,400</u>	<u>1,422,400</u>
<b>Total</b>		<u>20,031,916</u>	<u>18,422,504</u>



Director

24 April 1997

# JENNERS PRINCES STREET EDINBURGH LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JANUARY 1997

	<i>Notes</i>	<i>1997</i> £	<i>1996</i> £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	3c	2,683,008	2,686,791
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
Interest received		456,145	422,024
Interest paid		(490)	(309)
Dividends paid		(994,840)	(768,040)
<b>NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		(539,185)	(346,325)
<b>TAXATION</b>			
Corporation tax paid (including advance corporation tax)		(1,312,462)	(573,928)
<b>TAX PAID</b>		(1,312,462)	(573,928)
<b>INVESTING ACTIVITIES</b>			
Payments to acquire tangible fixed assets		(824,621)	(518,745)
Receipts from sales of tangible fixed assets		16,856	36,568
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		(807,765)	(482,177)
<b>NET CASH INFLOW BEFORE FINANCING</b>		23,596	1,284,361
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	11	23,596	1,284,361
		23,596	1,284,361

# JENNERS PRINCES STREET EDINBURGH LIMITED

## NOTES TO THE ACCOUNTS

AT 31 JANUARY 1997

### 1. ACCOUNTING POLICIES

#### *Basis of preparation*

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

#### *Basis of consolidation*

The consolidated accounts include the accounts of Kennington Leasing Limited, a wholly-owned subsidiary undertaking, for the year to 31 January. No profit and loss account is presented for the Company as provided by S.230 of the Companies Act 1985.

#### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost of retail stocks is computed by reducing the selling price of stocks by the average departmental gross profit margins. Net realisable value is the expected sale proceeds in the ordinary course of business.

#### *Depreciation*

Depreciation is provided on fixed assets, other than land, on a straight-line basis at the following rates, based on their estimated useful lives:

Fittings, furnishings and plant	5% to 33 <sup>1</sup> / <sub>3</sub> %
Vehicles	25%
Heritable properties (excluding the cost attributable to land)	2%

#### *Deferred taxation*

Deferred taxation is provided on the liability method on all timing differences to the extent that they are expected to reverse in the future, calculated at the rate at which it is estimated that the tax will become payable. Advance corporation tax which is expected to become recoverable in the future is deducted from the deferred taxation balance.

#### *Pensions*

A defined benefit pension scheme is operated by the Company and membership is available to the majority of the full-time and part-time employees. Contributions are charged to the profit and loss account on a basis that spreads the expected cost of providing pensions over the employees' working lives with the Company.

### 2. TURNOVER AND GROUP PROFIT

Retail turnover (including VAT) amounted to £51,536,799 (1996: £46,822,940) and represents sales of goods and services, including concession shop sales, fees and commissions charged to customers. Turnover relates to continuing activities. Turnover (excluding VAT) and Group profit on ordinary activities before taxation were contributed as follows:-

Area of activity:	1997		1996	
	Turnover	Profit	Turnover	Profit
	£	£	£	£
retailing	45,804,627	3,744,009	41,611,735	3,324,393
other	214,460	341,927	200,017	373,370
	<u>46,019,087</u>	<u>4,085,936</u>	<u>41,811,752</u>	<u>3,697,763</u>

# JENNERS PRINCES STREET EDINBURGH LIMITED

## NOTES TO THE ACCOUNTS

AT 31 JANUARY 1997

(continued)

### 3. OPERATING PROFIT

	1997	1996
	£	£
a) This is stated after charging or (crediting):		
Depreciation	766,446	745,123
Local rates	595,052	569,811
Gain on disposal of tangible fixed assets	(12,133)	(27,606)
	<u>          </u>	<u>          </u>
b) Auditors' remuneration:		
- audit services (parent company £22,800 - 1996: £22,200)	22,800	22,200
- non-audit services	22,726	11,535
	<u>          </u>	<u>          </u>
c) Reconciliation of operating profit to net cash inflow from operating activities:		
	1997	1996
	£	£
Operating profit	3,613,545	3,247,763
Depreciation	766,446	745,123
(Decrease) in provisions	(1,363,845)	(696,155)
Gain on disposal of tangible fixed assets	(12,133)	(27,606)
Decrease/(increase) in debtors	57,058	(228,459)
(Increase) in stocks	(906,124)	(509,349)
Increase in creditors	528,061	155,474
	<u>          </u>	<u>          </u>
Net cash inflow from operating activities	2,683,008	2,686,791
	<u>          </u>	<u>          </u>

### 4. EXCEPTIONAL ITEM

	1997	1996
	£	£
Building repairs	264,417	100,000
	<u>          </u>	<u>          </u>

The amounts provided during the years ended 31 January 1996 and 1997 relate to costs which were unforeseen at the time of the initial contract.

### 5. INTEREST PAYABLE

	1997	1996
	£	£
Bank overdraft and other interest	490	686
	<u>          </u>	<u>          </u>

# JENNERS PRINCES STREET EDINBURGH LIMITED

## NOTES TO THE ACCOUNTS

AT 31 JANUARY 1997

(continued)

### 6. TAXATION

	1997 £	1996 £
Tax on profit on ordinary activities		
The taxation charge at 33% (1996: 33%) based on the profit for the year is made up as follows:-		
Corporation tax	1,499,767	1,260,909
Corporation tax (over)/under provided in previous years	(5,483)	6,367
	<u>1,494,284</u>	<u>1,267,276</u>

The tax charge for the year has been increased by £64,578 (1996: £59,556) in respect of permanent timing differences.

### 7. DIVIDENDS

	1997 £	1996 £
10% Cumulative Preference Shares	142,240	142,240
Ordinary Shares		
Interim dividend of 60p (37p) per share	504,000	310,800
Proposed final dividend of 40p (41.5p) per share	336,000	348,600
	<u>840,000</u>	<u>659,400</u>
	<u>982,240</u>	<u>801,640</u>

### 8. TANGIBLE FIXED ASSETS

<i>Group and Company</i>	<i>Heritable land and buildings</i>	<i>Fittings, plant and vehicles</i>	<i>Total</i>
Cost:	£	£	£
At 31 January 1996	5,448,433	13,218,284	18,666,717
Additions	452,654	371,967	824,621
Disposals	-	(69,457)	(69,457)
At 31 January 1997	<u>5,901,087</u>	<u>13,520,794</u>	<u>19,421,881</u>
Depreciation:			
At 31 January 1996	1,780,956	10,894,301	12,675,257
Provided during the year	88,713	677,733	766,446
Disposals	-	(64,734)	(64,734)
At 31 January 1997	<u>1,869,669</u>	<u>11,507,300</u>	<u>13,376,969</u>
Net book value:			
At 31 January 1997	<u>4,031,418</u>	<u>2,013,494</u>	<u>6,044,912</u>
At 31 January 1996	<u>3,667,477</u>	<u>2,323,983</u>	<u>5,991,460</u>

### 9. INVESTMENT IN SUBSIDIARY UNDERTAKING

Kennington Leasing Limited is a wholly owned subsidiary undertaking registered in Scotland. The company has remained dormant throughout the period.

The investment is stated at cost.

# JENNERS PRINCES STREET EDINBURGH LIMITED

## NOTES TO THE ACCOUNTS

AT 31 JANUARY 1997

(continued)

### 10. DEBTORS

	1997		1996	
	Group	Company	Group	Company
	£	£	£	£
Trade debtors	2,778,634	2,778,634	2,659,389	2,659,389
Other debtors	74,533	74,533	83,096	83,096
Prepayments and accrued income	188,595	188,595	339,599	339,599
	<u>3,041,762</u>	<u>3,041,762</u>	<u>3,082,084</u>	<u>3,082,084</u>

### 11. CASH AND CASH EQUIVALENTS

Analysis of balances as shown in the Group balance sheet and changes during the current and previous year.

	1997	Change in year	1996	Change in year	1995
	£	£	£	£	£
Cash at bank and in hand	10,269,814	23,596	10,246,218	1,284,361	8,961,857

### 12. CREDITORS: amounts falling due within one year

	1997		1996	
	Group	Company	Group	Company
	£	£	£	£
Trade creditors	1,992,992	1,992,992	2,056,876	2,056,876
Amount due to subsidiary undertaking	-	223,691	-	223,691
Current corporation tax	1,334,228	1,334,228	1,155,556	1,155,556
Other taxes & social security costs	1,280,093	1,280,093	1,022,199	1,022,199
Accruals	1,064,331	1,064,331	730,280	730,280
Proposed dividend	336,000	336,000	348,600	348,600
	<u>6,007,644</u>	<u>6,231,335</u>	<u>5,313,511</u>	<u>5,537,202</u>

### 13. DEFERRED TAXATION

Deferred taxation provided in the accounts is as follows:-

	1997		1996	
	Group	Company	Group	Company
	£	£	£	£
Capital allowances	105,683	105,683	118,218	118,218
Other timing differences	(105,683)	(105,683)	(118,218)	(118,218)
Advance corporation tax	(84,000)	(84,000)	(87,150)	(87,150)
	<u>(84,000)</u>	<u>(84,000)</u>	<u>(87,150)</u>	<u>(87,150)</u>

# JENNERS PRINCES STREET EDINBURGH LIMITED

## NOTES TO THE ACCOUNTS

AT 31 JANUARY 1997

(continued)

### 14. PROVISION FOR BUILDING REPAIRS

	1997 Group and Company £
At 31 January 1996	1,363,845
Provided in year	264,417
Utilised during year	(1,628,262)
At 31 January 1997	-

### 15. CALLED UP SHARE CAPITAL

	1997 Allotted, called up and Authorised £		1996 Allotted, called up and Authorised £	
	fully paid £		fully paid £	
10% Cumulative Preference £1 shares	1,422,400	1,422,400	1,422,400	1,422,400
Ordinary £1 shares	840,000	840,000	840,000	840,000
Unclassified £1 shares	323,422	-	323,422	-
	2,585,822	2,262,400	2,585,822	2,262,400

The 10% Cumulative Preference £1 shares carry a dividend of 10% per annum payable on 1 February and 1 August. The dividend rights are cumulative.

On a winding-up of the Company the preference shareholders have a right to receive, in preference to payments to ordinary shareholders, £1 per share plus any accrued dividend.

The preference shareholders have a right to vote in circumstances where their rights may be varied or where the structure of the Company may be amended in such a way as may indirectly affect their rights.

### 16. REVENUE RESERVES

	Group £	Company £
At 31 January 1996	16,355,217	16,138,526
Retained profit for year	1,609,412	1,609,412
At 31 January 1997	17,964,629	17,747,938

### 17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit attributable to members of the parent company	2,591,652	2,430,487
Dividends	(982,240)	(801,640)
Net addition to shareholders' funds	1,609,412	1,628,847
Opening shareholders' funds	18,639,195	17,010,348
Closing shareholders' funds	20,248,607	18,639,195

# JENNERS PRINCES STREET EDINBURGH LIMITED

## NOTES TO THE ACCOUNTS

AT 31 JANUARY 1997

(continued)

### 18. CAPITAL COMMITMENTS

Amounts contracted for but not provided in the accounts amounted to £85,000 for the Group and Company (1996: £413,000).

### 19. DIRECTORS' EMOLUMENTS AND STAFF COSTS

	1997 £	1996 £
(a) Directors' emoluments:		
Fees	12,100	12,350
Other emoluments (including pension contributions)	449,835	360,164
	<u>461,935</u>	<u>372,514</u>

The emoluments of the Chairman who is also the Highest-Paid Director are as follows:

	1997 £	1996 £
Fees	2,350	2,350
Salary	120,000	104,000
Benefits	4,608	7,968
	<u>126,958</u>	<u>114,318</u>
Pension contributions	9,788	8,508
	<u>136,746</u>	<u>122,826</u>

Directors' emoluments excluding pension contributions fall within the following ranges:

	1997 No	1996 No
£ Nil - £ 5,000	1	-
£ 10,001 - £ 15,000	1	-
£ 20,001 - £ 25,000	-	1
£ 45,001 - £ 50,000	-	2
£ 50,001 - £ 55,000	1	1
£ 55,001 - £ 60,000	1	-
£ 60,001 - £ 65,000	1	1
£110,001 - £115,000	-	1
£120,001 - £125,000	1	-
£125,001 - £130,000	1	-

# JENNERS PRINCES STREET EDINBURGH LIMITED

## NOTES TO THE ACCOUNTS

AT 31 JANUARY 1997

(continued)

### 19. DIRECTORS' REMUNERATION AND STAFF COSTS

(continued)

(b) Staff costs:

	1997	1996
	£	£
Wages and salaries	6,335,140	5,906,305
Social security costs	373,373	365,218
Other pension costs	352,151	317,429
	<u>7,060,664</u>	<u>6,588,952</u>

The average number of employees (including part-time & seasonal temporary employees) employed in the Group during the year was 767 (1996: 743).

### 20. PENSION COMMITMENTS

The Company operates a defined benefit contributory pension scheme. The assets of the scheme are held in a separately administered fund.

The pension cost charge is determined in accordance with the advice of independent qualified actuaries on the basis of triennial valuations using the attained age method. The latest actuarial assessment was at 1 January 1996 using the following main assumptions;

Rate of interest	8% per annum
Rate of salary increases	7% per annum
Rate of increase in pensions in payment	4% per annum
Rate of dividend growth	3% per annum

The market value of the scheme's assets at that date amounted to £10,511,612 and the actuarial value was sufficient to cover 117% of the benefits that had accrued to members after allowing for the effect of future increases in earnings.