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**Associated Independent Merchant  
Stockists Limited**  
Report and Accounts

31 March 1999



**ERNST & YOUNG**

# Associated Independent Merchant Stockists Limited

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Registered No. 01676633

## **DIRECTORS**

T R Bowler  
M J Wheat  
M W L Randall  
R M Bolton  
K Young

## **SECRETARY**

R M Bolton

## **AUDITORS**

Ernst & Young  
Lowgate House  
Lowgate  
Hull HU1 1JJ

## **BANKERS**

Barclays Bank PLC  
Nottingham Business Centre  
PO Box No 18  
Old Market Square  
Nottingham NG1 6FF

## **REGISTERED OFFICE**

127 Northgate  
New Basford  
Nottingham NG7 7GA

# Associated Independent Merchant Stockists Limited

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## DIRECTORS' REPORT

The directors present their report together with the accounts for the year ended 31 March 1999.

### RESULTS AND DIVIDENDS

The loss for the financial year after tax amounted to £118.

The directors do not recommend the payment of a dividend for the year.

### REVIEW OF THE BUSINESS

The principal activity of the company is to act as a purchasing group on behalf of its member companies.

The members' collective turnover in the 1998 calendar year was in excess of £135m.

The directors together with the purchasing and marketing committees continued in their dialogue with supplying mills to deliver competitive pricing, together with negotiated rebates and promotional collateral.

During the year John Liddle was appointed as group co-ordinator on a consultancy basis to take up many of the administrative duties of the members. This will ensure that the functions of the group and opportunities to purchase more effectively are dealt with quickly through better communication.

Trading conditions remained difficult with no opportunity to increase prices during the year. Further polarisation in both the manufacturing and distribution sectors continued putting more emphasis on independent companies to enhance service levels and improve flexibility of supply making it vitally important that AIMS becomes an even more effective and cohesive buying group.

### DIRECTORS AND THEIR INTERESTS

At the date of this report the directors in office are as disclosed on page 1. All directors served throughout the year with the exception of R M Bolton and K Young who were appointed on 21 July 1998 and 24 September 1998 respectively.

In addition to the directors listed on page 1, H G N Davies and M R Overden served as directors until 21 July 1998 when they resigned.

In accordance with the company's policy all the directors retire and being eligible, they offer themselves for re-election.

None of the directors has any interest in the share capital of the company.

### YEAR 2000 COMPLIANCE

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

Given the complexity of the problem, it is not possible for any organisation to guarantee that no Year 2000 problems will remain, because at least some level of failure may still occur. However, the Board believes that it will achieve an acceptable state of readiness and has also provided resources to deal promptly with significant subsequent failures or issues that might arise.

# Associated Independent Merchant Stockists Limited

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## DIRECTORS' REPORT

### 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 profit or loss of the company 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
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company 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 to enable them to ensure that the accounts comply with the Companies Act 1985. They are 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

Ernst & Young having been appointed during the year, have signified their willingness to continue in office. A resolution to reappoint them will be proposed at the Annual General Meeting.

By order of the Board



R M Bolton  
Secretary

27 May 1999

## **REPORT OF THE AUDITORS**

**to the members of Associated Independent Merchant Stockists Limited**

We have audited the accounts on pages 5 to 9, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

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

As described on page 3 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 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 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 as at 31 March 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young  
Registered Auditor  
Hull

27 May 1999

# Associated Independent Merchant Stockists Limited

## PROFIT AND LOSS ACCOUNT for the year ended 31 March 1999

	Notes	1999 £	1998 £
REBATES RECEIVED	2	17,814	2,000
REBATES PAID TO MEMBERS		(17,814)	(2,000)
GROSS PROFIT		-	-
Administrative expenses less contributions from members		(872)	529
OPERATING (LOSS)/PROFIT		(872)	529
Other interest receivable and similar income	3	604	252
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(268)	781
Taxation credit/(charge)	5	150	(304)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	10	(118)	477

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the loss for the financial year of £118 (1998 - profit of £477).

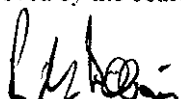
# Associated Independent Merchant Stockists Limited

## BALANCE SHEET

at 31 March 1999

	Notes	1999 £	1998 £
<b>FIXED ASSETS</b>			
Tangible assets	6	1,259	-
<b>CURRENT ASSETS</b>			
Debtors	7	3,908	202
Cash at bank and in hand		9,798	18,024
		13,706	18,226
<b>CREDITORS: amounts falling due within one year</b>	8	16,380	19,523
<b>NET CURRENT LIABILITIES</b>		(2,674)	(1,297)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		(1,415)	(1,297)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	1,200	1,200
Profit and loss account	10	(2,615)	(2,497)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	11	(1,415)	(1,297)

Approved by the board on 27 May 1999



R M Bolton - Director

# Associated Independent Merchant Stockists Limited

## NOTES TO THE ACCOUNTS

at 31 March 1999

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The accounts set out on pages 5 to 9 are prepared under the historical cost convention.

#### *Depreciation*

Tangible fixed assets are written off over their estimated useful lives on a straight line basis at the following annual rates:

Office equipment	10%
Computer	20%

### 2. TURNOVER

Turnover represents rebates received from the group's major suppliers which are repayable to member companies. All turnover arose from trading in the UK. Many rebates are paid directly to members.

### 3. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

Interest receivable and similar income represented interest receivable on bank deposits.

### 4. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after charging the following:

	1999 £	1998 £
Depreciation (note 6)	114	-
Auditors' remuneration - audit fee	650	650
	<u>          </u>	<u>          </u>

### 5. TAXATION

	1999 £	1998 £
The tax charge for the year represented		
Corporation tax (credit)/charge at 21% (1998 - 21%)	(150)	304
Adjustment in respect of previous year	-	-
	<u>          </u>	<u>          </u>
	(150)	304



# Associated Independent Merchant Stockists Limited

## NOTES TO THE ACCOUNTS at 31 March 1999

### 6. TANGIBLE FIXED ASSETS

	<i>Office equipment</i> £	<i>Computer</i> £	<i>Total</i> £
Cost:			
At 1 April 1998	4,765	4,673	9,438
Additions	-	1,373	1,373
At 31 March 1999	4,765	6,046	10,811
Depreciation:			
At 1 April 1998	4,765	4,673	9,438
Charge in year	-	114	114
	4,765	4,787	9,552
Net book value:			
At 31 March 1999	-	1,259	1,259
At 1 April 1998	-	-	-

### 7. DEBTORS

	<i>1999</i> £	<i>1998</i> £
Tax credit	150	-
Other debtors	2,288	202
Prepayments	1,470	-
	3,908	202

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

	<i>1999</i> £	<i>1998</i> £
Trade creditors	14,500	17,000
Other taxation and social security	-	304
Accruals and deferred income	1,880	2,219
	16,380	19,523

# Associated Independent Merchant Stockists Limited

## NOTES TO THE ACCOUNTS at 31 March 1999

### 9. SHARE CAPITAL

	<i>Authorised</i>		<i>Allotted, called up and fully paid</i>	
	<i>1999</i>	<i>1998</i>	<i>1999</i>	<i>1998</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Ordinary shares of £1 each	2,000	2,000	1,200	1,200

### 10. RESERVES

The movement of reserves during the year was as follows:

	<i>Profit and loss account £</i>
At 1 April 1998	(2,497)
Retained loss for the year	(118)
At 31 March 1999	(2,615)

### 11. EQUITY SHAREHOLDERS' FUNDS

The reconciliation of movements in shareholders' funds was as follows:

	<i>1999 £</i>	<i>1998 £</i>
(Loss)/profit for the financial year	(118)	477
Balance at 1 April 1998	(1,297)	(1,774)
Balance at 31 March 1999	(1,415)	(1,297)