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MERIT RETAIL LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2008



IRWIN DONAGHEY STOCKMAN LLP
CHARTERED ACCOUNTANTS
23/25 QUEEN STREET
COLERAINE
CO LONDONDERRY
BT52 1BG

MERIT RETAIL LIMITED

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MERIT RETAIL LIMITED

**COMPANY INFORMATION
AS AT 31 DECEMBER 2008**

DIRECTORS	Matilda Conway Olivia Conway Therese Conway Jarlath Conway Trevor Simpson
SECRETARY	Matilda Conway
COMPANY NUMBER	NI29742
REGISTERED OFFICE	58 Moneymore Road Magherafelt Co Londonderry BT45 6HG
AUDITORS	Irwin Donaghey Stockman LLP 23/25 Queen Street Coleraine Co Londonderry BT52 1BG
BUSINESS ADDRESS	58 Moneymore Road Magherafelt Co Londonderry BT45 6HG
BANKERS	Northern Bank Limited 12-14 Broad Street Magherafelt BT45 6EA
SOLICITORS	MKB Russells 14-18 Great Victoria Street Belfast BT2 7BA

MERIT RETAIL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2008

The directors present their report and the accounts for the year ended 31 December 2008.

Principal activity and review of the business

The principal activities of the company in the year under review was the operation of filling stations, supermarkets, an off licence and the operation of a lounge bar and off sales.

The company sold the business and assets of the filling stations, supermarkets and off licence in November 2008.

Results and dividends

The results for the year are set out on page 5.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

		Number of Shares	
		2008	2007
Matilda Conway	Ordinary £1 shares	9,999	9,999
Olivia Conway	Ordinary £1 shares	-	-
Therese Conway	Ordinary £1 shares	1	1
Jarlath Conway	Ordinary £1 shares	-	-
Trevor Simpson	Ordinary £1 shares	-	-

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 year. In preparing these financial statements the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements 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 financial statements comply with the Companies (Northern Ireland) Order 1986. 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.

The directors of a company must, in determining how amounts are presented within items in the profit and loss account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles and practice.

In so far as the directors are aware:

- there is no relevant information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant information and to establish that the company's auditors are aware of that information.

MERIT RETAIL LIMITED

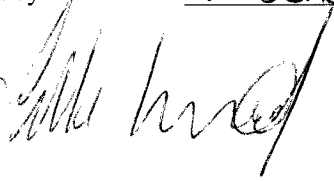
**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008**

Auditors

In accordance with Article 392 of the Companies (Northern Ireland) Order 1986, a resolution proposing that Irwin Donaghey Stockman LLP be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 10 June 2009 and signed on its behalf by

Matilda Conway
Secretary



**MERIT RETAIL LIMITED
INDEPENDENT AUDITORS REPORT
under Article 255B of the Companies (NI) Order 1986**

We have examined the abbreviated accounts set out on pages 5 to 16 together with the financial statements of MERIT RETAIL LIMITED for the year ended 31 December 2008 prepared under Article 234 of the Companies (Northern Ireland) Order 1986.

This report is made solely to the company, in accordance with Article 255B of the Companies (Northern Ireland) Order 1986. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing abbreviated accounts in accordance with Article 254A of the Companies (Northern Ireland) Order 1986. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Article 254A(3) of the Order to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Article 254A(3) of the Companies (Northern Ireland) Order 1986 in respect of the year ended 31 December 2008, and the abbreviated accounts on pages 6 to 16 are properly prepared in accordance with that provision.

Irwin Donaghey Stockman LLP

10 June 2009

**Irwin Donaghey Stockman LLP
Registered Auditor**

Irwin Donaghey Stockman LLP
Registered Office
23/25 Queen Street
Coleraine
Co. Londonderry
BT52 1BG
NI LLP 367

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Registered to carry on audit work and regulated for a range of investment business activities by the Institute of Chartered Accountants in Ireland

Members: Ian Donaghey Brian Stockman Roger Dallas Alison Wallace



MERIT RETAIL LIMITED

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008**

		2008		2007	
	Notes	£	£	£	£
Gross profit			2,264,436		2,969,518
Administrative expenses			339,954		(2,831,841)
Other operating income			263,110		51,508
Operating profit	3				
Continuing operations		59,793		189,185	
Discontinued operations		2,807,707		-	
			2,867,500		189,185
Other interest receivable and similar income	4		11,660		-
Interest payable and similar charges	5		(89,920)		(115,630)
Profit on ordinary activities before taxation			2,789,240		73,555
Tax on profit on ordinary activities	7		(708,182)		(21,046)
Profit for the year			2,081,058		52,509

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

MERIT RETAIL LIMITED

**ABBREVIATED BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Notes	2008 £	2007 £
FIXED ASSETS			
Intangible assets	8	-	232,013
Tangible assets	9	1,081,896	1,860,485
		<u>1,081,896</u>	<u>2,092,498</u>
CURRENT ASSETS			
Stocks	10	43,654	538,514
Debtors	11	1,247,441	2,293,562
Cash at bank and in hand		4,818,010	462,169
		<u>6,109,105</u>	<u>3,294,245</u>
CREDITORS: amounts falling due within one year	12	<u>(1,796,084)</u>	<u>(1,742,404)</u>
NET CURRENT ASSETS		<u>4,313,021</u>	<u>1,551,841</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,394,917</u>	<u>3,644,339</u>
CREDITORS: amounts falling due after more than one year	13	(857,209)	(1,105,137)
PROVISION FOR LIABILITIES AND CHARGES	15	(11,962)	(94,514)
NET ASSETS		<u>4,525,746</u>	<u>2,444,688</u>
CAPITAL AND RESERVES			
Called up share capital	16	100,000	100,000
Profit and loss account		4,425,746	2,344,688
EQUITY SHAREHOLDERS' FUNDS	17	<u>4,525,746</u>	<u>2,444,688</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part I of Schedule 8 of the Companies (NI) Order 1986 relating to medium-sized companies.

The abbreviated accounts were approved by the Board on 10 June 2009 and signed on its behalf by




MERIT RETAIL LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Notes	2008 £	2007 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		2,867,500	189,185
Depreciation/Profit on disposal		(2,380,474)	360,232
Decrease / (increase) in stocks		494,860	33,264
Decrease / (increase) in debtors		1,046,121	(203,168)
(Decrease) / increase in creditors		(589,427)	116,092
Net cash inflow from operating activities		1,438,580	495,605
Cash flow statement			
Net cash inflow from operating activities		1,438,580	495,605
Returns on investments and servicing of finance	20	(78,260)	(115,630)
Taxation	20	(45,300)	(30,497)
Capital expenditure	20	3,391,077	(58,766)
		4,706,097	290,712
Financing	20	(394,315)	(355,784)
Increase in cash in the year		4,311,782	(65,072)
Reconciliation of net cash flow to movement in net funds (Note 21)			
Increase in cash in the year		4,311,782	(65,072)
Net debt at 1 January 2008		462,169	527,241
Net funds at 31 December 2008		4,773,951	462,169

MERIT RETAIL LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 3 years.

1.4. Off-Sales Licence

Off-Sales licences are valued at cost less accumulated amortisation.

Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 10 years.

1.5. Tangible fixed assets and depreciation

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

Land and buildings	-	Depreciation is provided on the asset value within property cost, which qualifies for capital allowances on a straight line basis of 10% per annum.
Plant and machinery	-	10% - 15% straight line

1.6. Leasing

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 constant periodic rates of charge on the net obligations outstanding in each period.

1.7. Stock

Stock is valued at the lower of cost and net realisable value.

1.8. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

1.9. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

MERIT RETAIL LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

2. Note to the profit and loss account

	Continuing £	2008 Discontinued £	Total £	2007 Continuing £	Total £
Administrative expenses	(647,429)	987,383	339,954	(2,831,841)	(2,831,841)
Other operating income	263,110	-	263,110	51,508	51,508
	<u>384,319</u>	<u>987,383</u>	<u>603,064</u>	<u>(2,780,333)</u>	<u>(2,780,333)</u>

3. Operating profit

	2008 £	2007 £
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	20,000	134,000
Depreciation and other amounts written off tangible assets	190,093	226,232
Auditors' remuneration	16,500	16,500
and after crediting:		
Profit on disposal of intangible fixed assets	1,597,988	-
Profit on disposal of tangible fixed assets	992,579	-

4. Interest receivable and similar income

	2008 £	2007 £
Bank interest	11,660	-

5. Interest payable and similar charges

	2008 £	2007 £
Interest payable on loans	89,484	115,373
Interest on overdue taxation	436	257
	<u>89,920</u>	<u>115,630</u>

MERIT RETAIL LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

6. Employees

Number of employees

The average monthly numbers of employees
(including the directors) during the year were:

	2008 Number	2007 Number
Managment	11	13
Administration	5	6
Sales	103	123
	<u>119</u>	<u>142</u>

Employment costs

	2008 £	2007 £
Wages and salaries	1,106,916	1,415,859
Pension costs	2,706	4,697
	<u>1,109,622</u>	<u>1,420,556</u>

MERIT RETAIL LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

7. Tax on profit on ordinary activities

Analysis of charge in period	2008	2007
	£	£
Current tax		
UK corporation tax	790,799	45,107
Adjustments in respect of previous periods	(65)	-
	<u>790,734</u>	<u>45,107</u>
Total current tax charge	<u>790,734</u>	<u>45,107</u>
Deferred tax		
Timing differences, origination and reversal	(82,552)	(24,061)
Total deferred tax	<u>(82,552)</u>	<u>(24,061)</u>
Tax on profit on ordinary activities	<u>708,182</u>	<u>21,046</u>

Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (28%). The differences are explained below:

	2008	2007
	£	£
Profit on ordinary activities before taxation	<u>2,789,240</u>	<u>73,555</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (31 December 2007 : 30%)	780,987	22,067
Effects of:		
Expenses not deductible for tax purposes	19,872	168
Capital allowances for period in excess of depreciation	(106,411)	(1,189)
Adjustments to tax charge in respect of previous periods	(65)	-
Change in rate	13,799	-
Current tax charge for period	<u>708,182</u>	<u>21,046</u>

MERIT RETAIL LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

8.	Intangible fixed assets	Off-Sales	Goodwill	Total
		Licences		
		£	£	£
	Cost			
	At 1 January 2008	262,577	330,000	592,577
	Disposals	(262,577)	(330,000)	(592,577)
	At 31 December 2008	-	-	-
	Provision for diminution in value			
	At 1 January 2008	30,564	330,000	360,564
	On disposals	(50,564)	(330,000)	(380,564)
	Charge for year	20,000	-	20,000
	At 31 December 2008	-	-	-
	Net book values			
	At 31 December 2008	-	-	-
	At 31 December 2007	232,013	-	232,013
9.	Tangible fixed assets	Land and buildings	Plant and machinery	Total
		freehold		
		£	£	£
	Cost			
	At 1 January 2008	1,458,075	1,631,775	3,089,850
	Additions	-	6,423	6,423
	Disposals	(418,900)	(1,326,937)	(1,745,837)
	At 31 December 2008	1,039,175	311,261	1,350,436
	Depreciation			
	At 1 January 2008	187,630	1,041,735	1,229,365
	On disposals	(213,034)	(937,883)	(1,150,917)
	Charge for the year	25,404	164,688	190,092
	At 31 December 2008	-	268,540	268,540
	Net book values			
	At 31 December 2008	1,039,175	42,721	1,081,896
	At 31 December 2007	1,270,445	590,040	1,860,485
10.	Stocks	2008	2007	
		£	£	
	Finished goods and goods for resale	43,654	538,514	

MERIT RETAIL LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

11. Debtors	2008	2007
	£	£
Trade debtors	-	137,846
Amounts owed by connected parties	1,245,530	2,153,363
Prepayments and accrued income	1,911	2,353
	<u>1,247,441</u>	<u>2,293,562</u>
 12. Creditors: amounts falling due within one year	 2008	 2007
	£	£
Bank overdraft	44,059	-
Bank loan	130,634	134,528
Hendersons, Diageo & Dillion Bass	33,496	131,823
Net obligations under finance leases and hire purchase contracts	48,207	92,373
Trade creditors	452,542	1,186,271
Corporation tax	790,799	45,364
Other taxes and social security costs	87,197	77,301
Accruals and deferred income	209,150	74,744
	<u>1,796,084</u>	<u>1,742,404</u>

Bank loans are secured by fixed and floating charges over the relevant properties and book debt.

MERIT RETAIL LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

13. Creditors: amounts falling due after more than one year	2008	2007
	£	£
Bank loan	723,623	780,394
Hendersons, Diageo & Dillion Bass	119,232	259,916
Net obligations under finance leases and hire purchase contracts	14,354	64,827
	<u>857,209</u>	<u>1,105,137</u>
 Loans		
Repayable in one year or less, or on demand (Note 12)	164,130	266,351
Repayable between two and five years	548,425	760,865
Repayable in five years or more	294,430	279,445
	<u>1,006,985</u>	<u>1,306,661</u>
 Repayable in five years or more:		
Bank loan	281,182	266,197
Hendersons, Diageo & Dillion Bass	13,248	13,248
	<u>294,430</u>	<u>279,445</u>
 Net obligations under finance leases and hire purchase contracts		
Repayable within one year	48,207	92,371
Repayable between one and five years	14,354	64,827
	<u>62,561</u>	<u>157,198</u>
 14. Provisions for liabilities		
	Deferred taxation (Note 15)	Total
	£	£
At 1 January 2008	94,514	94,514
Movements in the year	82,552	82,552
At 31 December 2008	<u>11,962</u>	<u>11,962</u>

MERIT RETAIL LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

15. Provision for deferred taxation	2008	2007
	£	£
Accelerated capital allowances	<u>11,962</u>	<u>94,514</u>
Provision at 1 January 2008	94,514	
Deferred tax in profit and loss account	<u>(82,552)</u>	
Provision at 31 December 2008	<u>11,962</u>	
 16. Share capital	 2008	 2007
	£	£
Authorised equity		
500,000 Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>
Allotted, called up and fully paid equity		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
 17. Reconciliation of movements in shareholders' funds	 2008	 2007
	£	£
Profit for the year	2,081,058	52,509
Opening shareholders' funds	2,444,688	2,392,179
Closing shareholders' funds	<u>4,525,746</u>	<u>2,444,688</u>
 18. Related party transactions		
Amounts owed by related parties at the year end amounted to £1,245,530 (2007 £2,153,363).		
 19. Ultimate parent undertaking		
90% of the companies share capital is owned by Brooklands Nursing Homes Ltd.		

MERIT RETAIL LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008**

20. Gross cash flows

	2008 £	2007 £
Returns on investments and servicing of finance		
Interest received	11,660	-
Interest paid	(89,920)	(115,630)
	<u>(78,260)</u>	<u>(115,630)</u>
Taxation		
Corporation tax paid	<u>(45,300)</u>	<u>(30,497)</u>
Capital expenditure		
Payments to acquire tangible assets	(6,423)	(58,766)
Receipts from sales of intangible assets	1,810,001	-
Receipts from sales of tangible assets	1,587,499	-
	<u>3,391,077</u>	<u>(58,766)</u>
Financing		
Repayment of long term bank loan	(56,772)	(80,600)
Repayment of other long term loans	(140,684)	(146,387)
Repayment of short term bank loan	(3,894)	(2,764)
Repayment of other short term loans	(98,327)	(6,871)
Capital element of finance leases and hire purchase contracts	(94,638)	(119,162)
	<u>(394,315)</u>	<u>(355,784)</u>

21. Analysis of changes in net funds

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	462,169	4,355,841	4,818,010
Overdrafts	-	(44,059)	(44,059)
Net funds	<u>462,169</u>	<u>4,311,782</u>	<u>4,773,951</u>