

**T & S PROPERTIES LIMITED**  
**(REGISTERED NUMBER 9850)**

**DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 21 DECEMBER 2000**



## **T & S PROPERTIES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 21 DECEMBER 2000**

The directors of T & S Properties Limited present their annual report together with the audited accounts of the company for the year ended 21 December 2000.

#### **REVIEW OF THE BUSINESS**

The principal activity of the company is property management.

#### **RESULTS AND DIVIDENDS**

The trading results for the company for the year are set out in the profit and loss account on page 4.

The profit after taxation for the financial year amounted to £1,269,000 (1999 £1,818,000). The directors do not recommend the payment of a dividend (1999 - £Nil), hence the total profit for the financial year has been transferred to reserves.

#### **DIRECTORS AND THEIR INTERESTS**

The directors of the company who held office during the period were as follows:

KP Threlfall  
DR Turner  
TL Gordon (resigned 31 May 2001 )  
D Moore

None of the directors had any beneficial interests in the ordinary shares of the company during the year.

The directors are also directors of the ultimate parent undertaking, T & S Stores plc. The directors' interests in the shares of the parent undertaking are shown in the group accounts.

## **T & S PROPERTIES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 21 DECEMBER 2000 (CONTINUED)**

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each 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 financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 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.

The directors confirm that these financial statements conform with these requirements.

#### **EUROPEAN MONETARY UNION**

The Directors are aware of the implications of European Monetary Union for both information systems and other operational aspects. Detailed plans to meet any necessary changes will be developed when there is greater certainty with regard to the entry by the United Kingdom into the European Monetary Union.

#### **AUDITORS**

PricewaterhouseCoopers having indicated their willingness will be proposed for re-appointment at the Annual General Meeting.

By Order of the Board



**M. DOLAN**  
Secretary

18 October 2001

## **AUDITORS' REPORT TO THE MEMBERS OF T & S PROPERTIES LIMITED**

We have audited the financial statements set out on pages 4 to 11 prepared under the historical cost convention and the accounting policies set out on page 6.

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

The directors are responsible for preparing the Annual Report. As described on page 2, this includes the responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established primarily by statute, the Auditing Practices Board, and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

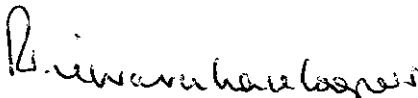
### **Basis of audit opinion**

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 directors in the preparation of the financial statements, 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 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 at 21 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
**Chartered Accountants and Registered Auditors**  
**Birmingham**

**18 October 2001**

# T & S PROPERTIES LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 21 DECEMBER 2000

	<u>Notes</u>	<u>2000</u> £'000	<u>1999</u> £'000
Rents receivable	2	1,106	1,337
Administrative expenses		(181)	(179)
Business disposals		746	1,060
		<hr/>	<hr/>
<b>OPERATING PROFIT BEFORE TAXATION</b>	3	1,671	2,218
Tax on profit on ordinary activities	6	(402)	(400)
		<hr/>	<hr/>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		1,269	1,818
Dividends		-	-
		<hr/>	<hr/>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	12	1,269	1,818
		<hr/> <hr/>	<hr/> <hr/>

All recognised gains and losses are included in the profit and loss account and arise from continuing activities in the United Kingdom.

There is no difference between the results disclosed above and those on an unmodified historical cost basis.

The notes on pages 6 to 11 also form part of these accounts.

# T & S PROPERTIES LIMITED

## BALANCE SHEET AS AT 21 DECEMBER 2000

	<u>Notes</u>	<u>2000</u> £'000	<u>1999</u> £'000
<b>FIXED ASSETS</b>			
Tangible assets	7	<u>15,873</u>	<u>12,786</u>
<b>CURRENT ASSETS</b>			
Debtors	8	10,804	7,487
<b>CREDITORS (amounts falling due within one year)</b>	9	<u>(5,673)</u>	<u>(534)</u>
<b>NET CURRENT ASSETS</b>		<u>5,131</u>	<u>6,949</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>21,004</u>	<u>19,735</u>
Provisions for liabilities and charges	10	<u>(11)</u>	<u>(11)</u>
<b>NET ASSETS</b>		<u>20,993</u>	<u>19,724</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	11,000	11,000
Other reserves	12	88	88
Profit and loss account	12	<u>9,905</u>	<u>8,636</u>
<b>SHAREHOLDERS' FUNDS - EQUITY INTERESTS</b>	13	<u>20,993</u>	<u>19,724</u>

The notes on pages 6 to 11 also form part of these accounts.

Approved by the Board on 18 October 2001.



D Moore  
DIRECTOR

# T & S PROPERTIES LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 21 DECEMBER 2000

### 1 ACCOUNTING POLICIES

#### (1) Accounting convention

These accounts have been made up for the year ended 21 December 2000 and are prepared under the historical cost convention and in accordance with UK Statements of Standard Accounting Practice. The year end is not co-terminus with that of the parent undertaking for commercial reasons.

#### (2) Fixed assets and depreciation

Depreciation of tangible fixed assets is provided at annual rates calculated to write off the assets over the term of their useful lives. The annual rates generally used for the classes of assets are as follows:

Freehold land	Nil
Freehold buildings	2% of cost
Long leasehold property	2% of cost

Freehold trading shops are not depreciated on the grounds that they are maintained to a high standard in order to maintain their trade. The properties have useful lives which are so long and retain residual values based on prices prevailing at the time of acquisition or subsequent valuation that are so high, being in aggregate at least equal to their book values, that any depreciation charge would not be material. Accordingly no provision has been made. Any permanent diminution in value of such properties is charged to profit and loss account as appropriate.

#### (3) Deferred taxation

Provision is made for taxation deferred by capital allowances and other timing differences at the tax rate applicable in the period in which they are expected to reverse. No provision is made where it is considered that no liability will arise in the foreseeable future.

#### (4) Cash flow statement

The company is exempt from producing a cash flow statement since a consolidated cash flow statement prepared in accordance with the requirements of Financial Reporting Standard 1 (revised 1996) is included in the accounts of its ultimate parent undertaking.

### 2 RENTS RECEIVABLE

Rents receivable are attributable to one class of business and all arise solely within the United Kingdom.

All rents are receivable from other group undertakings.

## T & S PROPERTIES LIMITED

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 21 December 2000 (CONTINUED)

#### 3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	<u>2000</u> £'000	<u>1999</u> £'000
Depreciation	116	112
Rentals receivable under operating leases	(1,106)	(1,337)
	<u>          </u>	<u>          </u>

Auditors' remuneration is borne by the parent company.

#### 4 DIRECTORS' EMOLUMENTS AND STAFF COSTS

The directors did not receive any emoluments for their services to the company during either the current or prior year.

The company has no other employees.

#### 5 TRANSACTIONS WITH DIRECTORS

None of the directors has any material interests, direct or indirect, in any contract entered into by the company.

#### 6 TAXATION

	<u>2000</u> £'000	<u>1999</u> £'000
UK Corporation tax at 30.0 % (1999 – 30.25%)		
- Current year	313	400
- Prior year	89	-
	<u>          </u>	<u>          </u>
	402	400
	<u>          </u>	<u>          </u>



# T & S PROPERTIES LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 21 December 2000 (CONTINUED)

### 7 TANGIBLE FIXED ASSETS

	Freehold land and <u>buildings</u> £'000	Long leasehold <u>properties</u> £'000	Short leasehold <u>properties</u> £'000	<u>Total</u> £'000
<b><u>Cost</u></b>				
At 21 December 1999	12,365	1,115	40	13,520
Additions	56	-	-	56
Disposals	(781)	(136)	-	(917)
Intragroup transfers	3,754	292	-	4,046
At 21 December 2000	<u>15,394</u>	<u>1,271</u>	<u>40</u>	<u>16,705</u>
<b><u>Depreciation</u></b>				
At 21 December 1999	635	99	-	734
Charge for period	95	21	-	116
Disposals	(5)	(13)	-	(18)
At 21 December 2000	<u>725</u>	<u>107</u>	<u>-</u>	<u>832</u>
<b><u>Net book amount</u></b>				
At 21 December 2000	<u>14,669</u>	<u>1,164</u>	<u>40</u>	<u>15,873</u>
At 21 December 1999	<u>11,730</u>	<u>1,016</u>	<u>40</u>	<u>12,786</u>

All of these properties are utilised for operating leases.

In the opinion of the directors there is no significant difference between market value and book value of land and buildings.

# T & S PROPERTIES LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 21 December 2000 (CONTINUED)

### 8 DEBTORS

	<u>2000</u>	<u>1999</u>
	£'000	£'000
Amounts due from group undertaking	10,804	7,486
	<u>          </u>	<u>          </u>

Amounts due from group undertakings are unsecured, interest free and have no fixed repayment date.

### 9 CREDITORS (amounts falling due within one year)

	<u>2000</u>	<u>1999</u>
	£'000	£'000
Amounts due to group undertakings	5,471	318
Corporation tax	<u>202</u>	<u>220</u>
	5,673	538
	<u>          </u>	<u>          </u>

Amounts due to group undertakings are secured, interest free and repayable on demand.

### 10 PROVISIONS FOR LIABILITIES AND CHARGES

The potential liability for deferred taxation for the company, which has been fully provided, is as follows:

	<u>2000</u>	<u>1999</u>
	£'000	£'000
Accelerated capital allowances	11	11
	<u>      </u>	<u>      </u>

There was no movement in the provision during the current year and hence no charge/ credit was reflected in the profit and loss account.

# T & S PROPERTIES LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 21 December 2000 (CONTINUED)

### 11 CALLED UP SHARE CAPITAL

	<u>2000</u> £'000	<u>1999</u> £'000
Authorised:		
Ordinary shares of £1 each	11,000	11,000
	<u>          </u>	<u>          </u>
Allotted and fully paid:		
Ordinary shares of £1 each	11,000	11,000
	<u>          </u>	<u>          </u>

### 12 RESERVES

	<u>Profit and loss account</u> £'000	<u>Other reserves</u> £'000	<u>Total</u> £'000
At 21 December 1999	8,636	88	8,724
Retained profit for the year	1,269	-	1,269
At 21 December 2000	<u>9,905</u>	<u>88</u>	<u>9,993</u>

### 13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2000</u> £'000	<u>1999</u> £'000
Profit for the financial year	<u>1,269</u>	<u>1,818</u>
Net increase in shareholders' funds	1,269	1,818
Opening shareholders' funds	19,724	17,906
Closing shareholders' funds	<u>20,993</u>	<u>19,724</u>

## **T & S PROPERTIES LIMITED**

### **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 21 December 2000 (CONTINUED)**

#### **14 CAPITAL COMMITMENTS**

	<u>2000</u> £'000	<u>1999</u> £'000
Contracted, but not provided in accounts	-	-
	<u>==</u>	<u>==</u>

#### **15 BANK GUARANTEES**

The company is party to cross guarantees given in respect of all bank borrowings of group undertakings. Group bank borrowings as at 30 December 2000 were £130,054,000 (1999 - £120,000,000).

#### **16 ULTIMATE PARENT UNDERTAKING**

The ultimate controlling party and parent undertaking is T & S Stores plc, which is registered in England and is the only company to prepare group accounts consolidating the results of this company. Copies of the Group accounts may be obtained from the Company Secretary, T & S Stores plc, Apex Road, Brownhills, Walsall WS8 7HU.

#### **17 RELATED PARTY TRANSACTIONS**

T & S Properties Limited have taken advantage of the exemption not to disclose related party transactions with members of the group or associates and joint ventures of other group members as they are a wholly owned subsidiary.