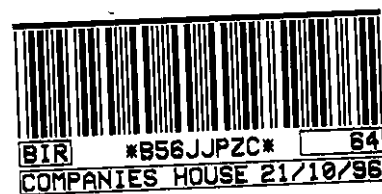


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**T & S PROPERTIES LIMITED**  
**(REGISTERED NUMBER 9850)**

**DIRECTORS' REPORT AND ACCOUNTS**

**21 December 1995**



## **T & S PROPERTIES LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 21 DECEMBER 1995**

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 1995.

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

The principal activity of the group is property management.

#### **RESULTS AND DIVIDENDS**

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

The profit for the financial year amounted to £1,094,000 (1994 - £765,000). The directors do not recommend the payment of a dividend (1994 - £300,000), hence the total profit for the financial year has been transferred to reserves (1994 - £465,000).

#### **TANGIBLE FIXED ASSETS**

The movements in tangible fixed assets during the period are set out in note 8 to the accounts.

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

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

KP Threlfall  
DR Turner  
D Crellin (appointed 1 January 1995)

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 1995 (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.

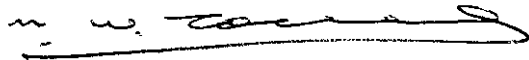
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets 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.

#### **AUDITORS**

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

By Order of the Board



M COWELL  
Secretary

31 March 1996

Registered Number 9850

*Price Waterhouse*



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

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

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

As described on page 2 the company's directors are 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 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 as at 21 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**PRICE WATERHOUSE**  
**Chartered Accountants**  
**and Registered Auditors**

31 March 1996

# **T & S PROPERTIES LIMITED**

## **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 21 DECEMBER 1995**

	<u>Notes</u>	<u>1995</u> £'000	<u>1994</u> £'000
Rents receivable	2	1,325	1,258
Administrative expenses		(147)	(156)
Business disposals		<u>242</u>	<u>(32)</u>
<b>OPERATING PROFIT</b>		1,420	1,070
Interest payable		(39)	(14)
Interest receivable		<u>178</u>	<u>133</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	1,559	1,189
Tax on profit on ordinary activities	7	<u>(465)</u>	<u>(424)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		1,094	765
Dividends	6	<u>-</u>	<u>(300)</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	13	<u>1,094</u>	<u>465</u>

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.

# T & S PROPERTIES LIMITED

## BALANCE SHEET - 21 DECEMBER 1995

	<u>Notes</u>	<u>1995</u> £'000	<u>1994</u> £'000
<b>FIXED ASSETS</b>			
Tangible assets	8	11,953	11,334
<b>CURRENT ASSETS</b>			
Debtors	9	3,629	1,921
Cash at bank and in hand		-	1,257
<b>CREDITORS (amounts falling due within one year)</b>	10	<u>(1,065)</u>	<u>(1,095)</u>
<b>NET CURRENT ASSETS</b>		<u>2,564</u>	<u>2,083</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		14,517	13,417
Provision for liabilities and charges	11	<u>(10)</u>	<u>(4)</u>
		<u>14,507</u>	<u>13,413</u>
<b>CAPITAL AND RESERVES - EQUITY INTERESTS</b>			
Called up share capital	12	11,000	11,000
Other reserves	13	88	88
Profit and loss account	13	<u>3,419</u>	<u>2,325</u>
<b>SHAREHOLDERS' FUNDS</b>	13	<u>14,507</u>	<u>13,413</u>

Approved by the Board on 31 March 1996

DIRECTOR

D Crellin 

## **T & S PROPERTIES LIMITED**

### **NOTES TO THE ACCOUNTS - 21 DECEMBER 1995**

#### **1 ACCOUNTING POLICIES**

##### **(1) Accounting convention**

These accounts have been made up for the year ended 21 December 1995 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 exempted from producing a cash flow statement since a consolidated cash flow statement prepared in accordance with the requirements of Financial Reporting Standard 1 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 - 21 DECEMBER 1995 (CONTINUED)

#### 3 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	<u>1995</u> £'000	<u>1994</u> £'000
Depreciation	82	91
Auditors' remuneration	2	2
Interest receivable from group undertakings	(178)	(133)
Interest payable to group undertakings	39	14
	<u>      </u>	<u>      </u>

Amounts paid to auditors for non-audit services in the year totalled £5,000 (1994 - £9,000)

#### 4 DIRECTORS' EMOLUMENTS AND STAFF COSTS

The directors did not receive any emoluments 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 DIVIDENDS

	<u>1995</u> £'000	<u>1994</u> £'000
Proposed final dividend (1994 - 2.73 pence per share)	-	300
	<u>      </u>	<u>      </u>

#### 7 TAXATION

	<u>1995</u> £'000	<u>1994</u> £'000
UK Corporation tax at 33% (1994 - 33%)		
- Current year	455	427
- Prior year	4	-
Deferred tax (note 11)	<u>6</u>	<u>(3)</u>
	<u>465</u>	<u>424</u>
	<u>      </u>	<u>      </u>



# T & S PROPERTIES LIMITED

## NOTES TO THE ACCOUNTS - 21 DECEMBER 1995 (CONTINUED)

### 8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Long leasehold properties £'000	Total £'000
<b><u>Cost</u></b>			
At 21 December 1994	11,034	634	11,668
Additions	1,930	-	1,930
Disposals	<u>(1,228)</u>	<u>(1)</u>	<u>(1,229)</u>
At 21 December 1995	<u>11,736</u>	<u>633</u>	<u>12,369</u>
<b><u>Depreciation</u></b>			
At 21 December 1994	309	25	334
Charge for period	80	2	82
Disposals	<u>-</u>	<u>-</u>	<u>-</u>
At 21 December 1995	<u>389</u>	<u>27</u>	<u>416</u>
<b><u>Net book amount</u></b>			
At 21 December 1995	<u>11,347</u>	<u>606</u>	<u>11,953</u>
At 21 December 1994	<u>10,725</u>	<u>609</u>	<u>11,334</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 - 21 DECEMBER 1995 (CONTINUED)**

### **9 DEBTORS**

	<u>1995</u> £'000	<u>1994</u> £'000
Amounts due from parent undertaking	2,827	1,921
Amounts due from fellow subsidiary undertakings	<u>802</u>	<u>-</u>
	<u>3,629</u>	<u>1,921</u>

### **10 CREDITORS (amounts falling due within one year)**

	<u>1995</u> £'000	<u>1994</u> £'000
Amounts owed to fellow subsidiary undertakings	610	665
Corporation tax	<u>455</u>	<u>430</u>
	<u>1,065</u>	<u>1,095</u>

### **11 PROVISION FOR LIABILITIES AND CHARGES**

The potential liability for deferred taxation for the company, which has been fully provided, calculated at 33% is as follows:

	<u>1995</u> £'000	<u>1994</u> £'000
Accelerated capital allowances	10	9
Other short term timing differences	<u>-</u>	<u>(5)</u>
	<u>10</u>	<u>4</u>

The whole of the movement on the provision in the year is due to the charge of £6,000 (1994 - £3,000 release) to the profit and loss account.

# **T & S PROPERTIES LIMITED**

## **NOTES TO THE ACCOUNTS - 21 DECEMBER 1995 (CONTINUED)**

### **12 CALLED UP SHARE CAPITAL**

	<u>1995</u>	<u>1994</u>
Authorised:		
Ordinary shares of £1 each	£11,000,000	£11,000,000
	<u>                    </u>	<u>                    </u>
Allotted and fully paid:		
Ordinary shares of £1 each	£11,000,000	£11,000,000
	<u>                    </u>	<u>                    </u>

### **13 RESERVES**

	<u>Profit and loss account £'000</u>	<u>Other reserves £'000</u>	<u>Total £'000</u>
At 21 December 1994	2,325	88	2,413
Retained profit for the year	<u>1,094</u>	<u>-</u>	<u>1,094</u>
At 21 December 1995	<u>3,419</u>	<u>88</u>	<u>3,507</u>

The retained profit for the year is the only movement in shareholders funds.

### **14 CAPITAL COMMITMENTS**

	<u>1995 £'000</u>	<u>1994 £'000</u>
Contracted, but not provided in accounts	419	-
	<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 21 December 1995 were £13,315,000 (1994 - £17,855,000).

## **T & S PROPERTIES LIMITED**

### **NOTES TO THE ACCOUNTS - 21 DECEMBER 1995 (CONTINUED)**

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

The ultimate parent undertaking is T & S Stores plc, which is registered in England. Copies of the Group accounts may be obtained from the Company Secretary, T & S Stores plc, Apex Road, Brownhills, Walsall WS8 7HU.