

FINDLATER MACKIE TODD & CO. LIMITED

Company Number 1961485

Directors John Clarke
Paul Clift
Steven Esom
Angela Megson
Tina Reade

Secretary: Terence Neville

Registered Office: 171 Victoria Street, London SW1E 5NN

Auditors: PricewaterhouseCoopers LLP

REPORT OF THE DIRECTORS

The directors submit their Report together with the Accounts for the year ended 31 January 2004.

PRINCIPAL ACTIVITY

The business of the company is the sale of wines, spirits and other items by mail order and wholesale including export. The company incurred restructuring costs of £150,000 during the year.

REVIEW OF THE BUSINESS

The company is a wholly owned subsidiary within the John Lewis Partnership plc group; a review of the group's activities for the year ended 31 January 2004 is given in the statement by the Chairman of John Lewis Partnership plc, which is included within that company's report and accounts.

USE OF PROFITS

The company made a profit for the year of £351,377 (2003:£501,009). The directors do not recommend the payment of a dividend (2003:nil) and the profit has been transferred to reserves.

DIRECTORS

A list of the directors in office at the date of this report is shown above; all directors served throughout the period under review.



DIRECTORS' INTERESTS

The Register of Directors' Interests showed that at 26 January 2003 and 31 January 2004 all directors, as employees of John Lewis plc, were interested in the 612,000 deferred ordinary shares in John Lewis Partnership plc which are held in trust for the benefit of employees of John Lewis plc and of certain other companies. No director had any interest in the shares of the company.

ELECTIVE RESOLUTION

The company has passed an Elective Resolution pursuant to section 366A of the Companies Act 1985 to dispense with the holding of Annual General Meetings, thus negating the need to re-appoint auditors annually.

By Order of the Board

A handwritten signature in black ink, appearing to read 'T F Neville', is written over a vertical line.

T F Neville
Secretary

27 July 2004

171 Victoria Street
London SW1E 5NN

FINDLATER MACKIE TODD & CO. LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2004

	Notes	2004 £	2003 £
Turnover	2	18,984,503	14,951,040
Value added tax		(1,237,321)	(1,175,240)
		<u>17,747,182</u>	<u>13,775,800</u>
 Cost of sales		 (14,320,985)	 (10,655,236)
 Gross profit		 3,426,197	 3,120,564
 Distribution and selling costs		 (2,020,862)	 (1,842,930)
Administrative expenses		(906,908)	(683,601)
		<u> </u>	<u> </u>
 Profit on ordinary activities before taxation	4	 498,427	 594,033
 Tax charge on ordinary activities	7	 (147,050)	 (93,024)
		<u> </u>	<u> </u>
 Profit for the financial year	15	 <u>351,377</u>	 <u>501,009</u>

The company has no recognised gains or losses other than the profit for the year disclosed in the profit and loss account.

FINDLATER MACKIE TODD & CO. LIMITED

BALANCE SHEET AS AT 31 JANUARY 2004

	Notes	2004 £	2003 £
Fixed assets			
Tangible assets	8	32,198	111,795
Investments	9	5	5
		<u>32,203</u>	<u>111,800</u>
Current assets			
Stocks	10	792,853	568,758
Debtors	11	422,647	190,928
		<u>1,215,500</u>	<u>759,686</u>
Creditors			
Amounts falling due within one year	12	<u>(1,304,753)</u>	<u>(1,429,913)</u>
Net current liabilities		<u>(89,253)</u>	<u>(670,227)</u>
Total assets less current liabilities		(57,050)	(558,427)
Provisions for liabilities and charges	13	<u>(150,000)</u>	<u>-</u>
Net liabilities		<u><u>(207,050)</u></u>	<u><u>(558,427)</u></u>
Capital and reserves			
Called up share capital	14	610,500	610,500
Share premium account	15	150	150
Profit and loss account	15	<u>(817,700)</u>	<u>(1,169,077)</u>
Total shareholders' funds	16	<u><u>(207,050)</u></u>	<u><u>(558,427)</u></u>

The notes on pages 5 to 11 form part of these financial statements.

Approved by the Board on 27th July 2004



Director

FINDLATER MACKIE TODD & CO. LIMITED

NOTES TO THE ACCOUNTS

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards.

Turnover

Turnover is the total amount receivable by the company for goods sold and services provided during the year, including VAT.

Stock valuation

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a weighted average basis and includes inbound transport costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for slow moving and defective stocks.

Depreciation

Depreciation is calculated for all fixed assets in equal annual instalments at 10% to 33%.

Foreign currency translation

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate in operation at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates. All revaluation differences and realised exchange differences are taken to the profit and loss account.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, with the exception of gains that would arise if properties were sold at their revalued amounts. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Turnover and profit

Turnover represents the amount receivable by the company for the provision of goods and services and arises mainly within the UK. Turnover and profit derive from continuing operations, there having been no discontinued operations or acquisitions in the year.

FINDLATER MACKIE TODD & CO. LIMITED

NOTES TO THE ACCOUNTS

3. Pension scheme

Employees of Findlater Mackie Todd & Co Limited are members of the non-contributory John Lewis Partnership Trust for Pensions. Particulars of the actuarial valuation of this defined benefit scheme are shown in the accounts of John Lewis plc. Contributions are based on pension costs for the group as a whole.

4. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation	2004	2003
is stated after charging the following:	£	£
Auditors' remuneration	6,000	5,800
Depreciation	80,127	54,659
Amounts paid to parent company in respect of employees' services:		
Wages and salaries	653,692	604,818
Social security costs	54,334	55,523
Restructuring charge	150,000	-

Employees' contracts of employment are with John Lewis plc, and costs are charged to the businesses in which they work. The result for the year includes a charge from Waitrose Limited, the immediate parent company, for their services.

5. Directors' emoluments

Directors' remuneration including Partnership bonus of 12% (2003: 10%) was £121,606 (2003 £113,332). This excludes those directors who are full time executives of John Lewis plc, no part of whose remuneration relates to services to this company. All members of the board are entitled to retirement benefits accruing under the John Lewis Partnership deferred benefit pension arrangements.

6. Employees

	2004	2003
During the year the average number of employees was	36	30

FINDLATER MACKIE TODD & CO. LIMITED

NOTES TO THE ACCOUNTS

7. Tax on profit on ordinary activities	2004	2003
	£	£
Analysis of tax charge:		
Group relief - this year	164,088	182,235
Group relief - previous years	(6,736)	(93,409)
Corporation tax charge - previous years	4,151	3,661
Total current tax charge	161,503	92,487
Deferred tax - origination and reversal of timing differences	(14,453)	537
	<u>147,050</u>	<u>93,024</u>
The tax charge is based on a corporation tax rate of 30% (2003 30%).		
Factors affecting current tax charge for the year:		
Profit on ordinary activities before tax	498,427	594,033
Profit on ordinary activities at standard rate of corporation tax in the UK of 30% (2003 30%)	149,528	178,210
Effects of:		
Expenses not deductible for tax purposes	106	334
Capital allowances less than depreciation	5,454	3,691
Exceptional items	9,000	-
Adjustment for prior periods	(2,585)	(89,748)
Current tax charge for the year	<u>161,503</u>	<u>92,487</u>

FINDLATER MACKIE TODD & CO. LIMITED

NOTES TO THE ACCOUNTS

8. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 25 January 2003	369,363
Transfer from Group Companies	7,035
Disposal	<u>(8,821)</u>
At 31 January 2004	<u>367,577</u>
Depreciation	
At 25 January 2003	257,568
Charge for the year	80,127
Transfer from group companies	5,961
Disposal	<u>(8,277)</u>
At 31 January 2004	<u>335,379</u>
Net book values at 25 January 2003	<u>111,795</u>
Net book values at 31 January 2004	<u>32,198</u>

9. Investment

	2004 £	2003 £
Shares in unlisted companies (at cost)	<u>5</u>	<u>5</u>

The shares in unlisted companies comprise a £5 (5%) investment in Findlaters (Scotch Whisky) Ltd, a dormant company registered in Scotland. The Directors consider that the cost of the investment represents its realisable value.

FINDLATER MACKIE TODD & CO. LIMITED

NOTES TO THE ACCOUNTS

	2004 £	2003 £
10. Stocks		
Goods for resale	<u>792,853</u>	<u>568,758</u>
11. Debtors		
Amounts falling due within one year:		
Trade debtors	403,000	185,734
Deferred tax asset	<u>19,647</u>	<u>5,194</u>
	<u>422,647</u>	<u>190,928</u>
All of the deferred tax is due to accelerated capital allowances.		
12. Creditors		
Amounts falling due within one year:		
Amounts owed to group companies	700,745	592,155
Trade creditors	41,700	17,429
Other taxation and social security	515,802	463,460
Other creditors	<u>46,506</u>	<u>356,869</u>
	<u>1,304,753</u>	<u>1,429,913</u>
13. Provision for liabilities and charges		
		Restructuring costs £
At 25 January 2003		-
Charge to profit and loss account		<u>(150,000)</u>
At 31 January 2004		<u>(150,000)</u>

FINDLATER MACKIE TODD & CO. LIMITED

NOTES TO THE ACCOUNTS

14. Share capital

	2004 £	2003 £
Authorised, issued and fully paid:		
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid:		
Ordinary shares of £1 each	<u>610,500</u>	<u>610,500</u>

15. Reserves

	Profit & loss account £	Share premium account £	Total reserves £
At 25 January 2003	(1,169,077)	150	(1,168,927)
Profit retained for the year	351,377	-	351,377
At 31 January 2004	<u>(817,700)</u>	<u>150</u>	<u>(817,550)</u>

16. Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the financial year	351,377	501,009
Opening shareholders' funds	<u>(558,427)</u>	<u>(1,059,436)</u>
Closing shareholders' funds	<u>(207,050)</u>	<u>(558,427)</u>

17. Cash flow statement

A consolidated cash flow statement has been included in the accounts of the parent company which include the accounts of Findlater Mackie Todd & Co. Limited. Accordingly, as permitted by Financial Reporting Standard 1, no cash flow statement is presented in these accounts.

FINDLATER MACKIE TODD & CO. LIMITED

NOTES TO THE ACCOUNTS

18. Related party transactions

Transactions with other companies within in the group are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard 8 'Related Party Disclosures' as the accounts of John Lewis plc and John Lewis Partnership plc, in which the company is consolidated, are publicly available.

19. Parent Company

Waitrose Limited is the parent company of the smallest group to consolidate the accounts of the company. John Lewis Partnership plc, the company's ultimate parent company, is the parent company of the largest group to consolidate these accounts. Ultimate control rests with John Lewis Partnership Trust Limited, which holds the equity of John Lewis Partnership plc in trust for the benefit of the employees. All of these companies are registered in England.

Copies of these accounts may be obtained from the Company Secretary, John Lewis Partnership plc, 171 Victoria Street, London SW1E 5NN.

The holding company has informed this company that it is its present intention to provide finance for the continued operations of Findlater Mackie Todd and Co. Limited.

FINDLATER MACKIE TODD & CO. LIMITED

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATMENTS

The directors are required by UK company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for that period. In preparing the financial statements suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made. Relevant accounting standards have been followed. The directors are responsible for maintaining adequate accounting records that disclose with reasonable accuracy at any time the financial position of the company, and which 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 preventing and detecting fraud and other irregularities.

The directors, having made enquiries, consider that the company has adequate resources to continue in operational existence for the foreseeable future, and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements.

FINDLATER MACKIE TODD & CO. LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FINDLATER MACKIE TODD & CO. LIMITED

We have audited the financial statements which comprise the profit and loss account, the balance sheet, and the related notes which have been prepared under the historical cost convention and the accounting policies set out in note 1.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 1985. 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 financial statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

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 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 31 January 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors

27/1/04

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