

FINDLATER MACKIE TODD & CO. LIMITED

Company Number 1961485

Directors: Paul Clift
Steven Esom
David Felwick
Joe Imrie
Christopher Rowe
David Wilson

Secretary: Brian Pritchard

Registered Office: 171 Victoria Street, London SW1E 5NN

Auditors: PricewaterhouseCoopers

REPORT OF THE DIRECTORS

The directors submit their Report together with the Accounts for the year ended 30 January 1999.

PRINCIPAL ACTIVITY

The business of the company is the sale of wines and spirits.

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 30 January 1999 is given in the statement by the Chairman of John Lewis Partnership plc, which is included within that company's report.

YEAR 2000

The Partnership has a detailed plan in place to ensure that its computer systems are able to function effectively in the year 2000 and thereafter, and this issue is being dealt with on a group-wide basis. Full details are provided in the accounts of John Lewis plc.

USE OF PROFITS

Turnover rose in the year under review, but increased costs resulted in a loss before taxation of £595,888 (loss £705,601). After group tax relief this was reduced to £401,380 (loss £485,794), increasing the deficit on the profit and loss account at 30 January 1999 to £2,284,961 (£1,883,581). In view of the accumulated deficit on reserves, the directors do not recommend the payment of a dividend (nil).



DIRECTORS

A list of the directors in office at the date of this report is shown above; Steven Esom, David Felwick, Joe Imrie, Christopher Rowe and David Wilson served throughout the period under review. Paul Clift was appointed a director on 7 May 1999, on which date Richard March, who was in office as a director on 30 January 1999, resigned.

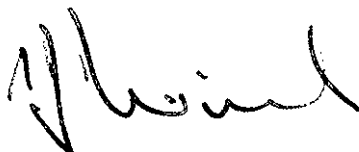
DIRECTORS' INTERESTS

The Register of Directors' Interests showed that at 1 February 1998 and 30 January 1999 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.

AUDITORS

Following the merger of Price Waterhouse and Coopers & Lybrand, Price Waterhouse resigned as auditors of the Company during the year and the directors appointed PricewaterhouseCoopers as auditors in their stead. Special Notice has been received under Section 379 of the Companies Act 1985 of a proposal to re-appoint PricewaterhouseCoopers as auditors at the forthcoming Annual General Meeting.

By Order of the Board



Brian Pritchard
Secretary

171 Victoria Street
London SW1E 5NN

23 JUN 1999

FINDLATER MACKIE TODD & CO. LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JANUARY 1999

	Notes	1999 £	1998 £
TURNOVER	2	10,509,730	7,769,612
Value added tax		(1,038,964)	(846,569)
		<u>9,470,766</u>	<u>6,923,043</u>
Cost of sales		<u>(7,404,762)</u>	<u>(5,400,059)</u>
GROSS PROFIT		2,066,004	1,522,984
Distribution costs		(1,771,831)	(1,299,890)
Administrative expenses		(890,061)	(928,695)
		<u></u>	<u></u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4	(595,888)	(705,601)
Tax on loss on ordinary activities	7	<u>194,508</u>	<u>219,807</u>
LOSS FOR THE FINANCIAL YEAR	14	<u><u>(401,380)</u></u>	<u><u>(485,794)</u></u>

RmtH

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

FINDLATER MACKIE TODD & CO. LIMITED

BALANCE SHEET AS AT 30 JANUARY 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Tangible assets	8	271,322	119,619
Investments	9	5	5
		<u>271,327</u>	<u>119,624</u>
CURRENT ASSETS			
Stocks	10	798,397	604,897
Debtors	11	518,428	375,680
Cash at bank and in hand		-	181
		<u>1,316,825</u>	<u>980,758</u>
CREDITORS			
Amounts falling due within one year	12	(3,262,463)	(2,373,313)
NET CURRENT LIABILITIES			
		<u>(1,945,638)</u>	<u>(1,392,555)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>(1,674,311)</u>	<u>(1,272,931)</u>
CAPITAL AND RESERVES			
Called up share capital	13	610,500	610,500
Share premium account	14	150	150
Profit and loss account	14	(2,284,961)	(1,883,581)
TOTAL SHAREHOLDERS' FUNDS			
	15	<u>(1,674,311)</u>	<u>(1,272,931)</u>

Rain
Approved by the Board on 23 June 1999


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 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 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 15% 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.

Leased assets

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Deferred taxation

Provision for deferred taxation is only made where there is a reasonable probability of a liability crystallising in the foreseeable future.

2. Turnover and loss

Turnover represents the amount receivable by the company for the provision of goods and services and arises wholly within the UK. Turnover and loss 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 and the increase in the charge reflects the results of the most recent actuarial valuation of the group's pension fund.

4. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation	1999	1998
is stated after charging the following:	£	£
Auditors' remuneration	5,500	5,300
Depreciation	29,579	35,994
Staff costs:		
Wages and salaries	573,843	550,253
Social security costs	49,161	45,070
Pension costs	50,920	34,886
Operating lease rental of land and buildings	<u>50,481</u>	<u>89,183</u>

5. Directors' emoluments

Directors' remuneration including Partnership bonus of 19% (1998 22%) was £76,370 (1998 £79,008). 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	1999	1998
During the year the average number of employees was	<u>23</u>	<u>19</u>

7. Tax on loss on ordinary activities

Group relief	<u>(194,508)</u>	<u>(219,807)</u>
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The tax credit is based on a corporation tax rate of 31% (1998, 31%) and has been reduced by £9,448 (1998 increased by £1,328) as a result of capital allowances in excess of (less than) depreciation.

FINDLATER MACKIE TODD & CO. LIMITED

NOTES TO THE ACCOUNTS

7. **Tax on loss on ordinary activities** (continued)

Total taxation deferred and unprovided in respect of capital allowances in excess of depreciation amounts to £15,754 (1998 £6,306), based on corporation tax at 30% (1998 31%).

8. **Tangible fixed assets**

	Fixtures and fittings £
Cost	
At 31 January 1998	254,486
Additions	204,270
Disposals	<u>(129,991)</u>
At 30 January 1999	<u>328,765</u>
Depreciation	
At 31 January 1998	134,867
Charge for the year	29,579
Disposals	<u>(107,003)</u>
At 30 January 1999	<u>57,443</u>
Net book values at 31 January 1998	<u><u>119,619</u></u>
Net book values at 30 January 1999	<u><u>271,322</u></u>

	1999 £	1998 £
9. Investment		
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

	1999 £	1998 £
10. Stocks		
Goods for resale	<u>798,397</u>	<u>604,897</u>
11. Debtors		
Amounts falling due within one year:		
Trade debtors	<u>518,428</u>	<u>375,680</u>
12. Creditors		
Amounts falling due within one year:		
Amounts owed to group companies	2,613,459	1,869,139
Trade creditors	183,771	138,285
Other taxation and social security	434,764	343,302
Other creditors	30,469	22,587
	<u>3,262,463</u>	<u>2,373,313</u>
13. Share capital		
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>
14. Reserves		
	Profit & loss account £	Share premium account £
At 31 January 1998	(1,883,581)	150
Loss retained for the year	(401,380)	-
At 30 January 1999	<u>(2,284,961)</u>	<u>150</u>
		Total reserves £
		(1,883,431)
		(401,380)
		<u>(2,284,811)</u>

FINDLATER MACKIE TODD & CO. LIMITED

NOTES TO THE ACCOUNTS

	1999 £	1998 £
15. Reconciliation of movements in shareholders' funds		
Loss for the financial year	(401,380)	(485,794)
Opening shareholders' funds	(1,272,931)	(787,137)
Closing shareholders' funds	<u>(1,674,311)</u>	<u>(1,272,931)</u>
16. Lease commitments		
Operating leases:		
Rental of land and buildings for the next financial year on leases expiring within 1 year	<u>-</u>	<u>87,500</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.		
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 STATEMENTS

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, for safeguarding the assets of the company and 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 AUDITORS TO THE MEMBERS OF FINDLATER MACKIE TODD & CO. LIMITED

We have audited the financial statements of Findlater Mackie Todd & Co. Limited set out on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 10 the company's directors are responsible for the preparation of financial statements. Our responsibilities, as independent auditors, are established 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 financial statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.


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 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 30 January 1999 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers
Chartered Accountants and Registered Auditors

1 Embankment Place
London WC2N 6NN

23 June 1999