

FELVILLE INVESTMENT CO. LIMITED

FINANCIAL STATEMENTS

31st March 1983
=====

BEECHAM AND CO.

Chartered Accountants

18, Bedford Row,
London,
WC1R 4EJ
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FELVILLE INVESTMENT CO. LIMITED
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REPORT OF THE DIRECTORS
=====

The directors submit the audited financial statements of the company for the accounting reference period ended 31st March 1983, approved by them at a board meeting of today's date.

PRINCIPAL ACTIVITY

The company is principally engaged in the wholesale grocery trade and property investment.

BUSINESS REVIEW

The decrease in the company's profitability before taxation from £71,030 for the year ended 31st December 1981 to £47,579 for the fifteen months to 31st March 1983 can be attributed to the fall in the gross margin, due to increased competition in the company's trade.

The company's balance sheet remains in a healthy position, and the directors are of the opinion that, having reduced their margins and maintained the level of expenses, they will be able to increase their profitability by being able to generate an increased turnover.

DIVIDENDS

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors and their interests in the shares of the company at the beginning and end of the period were as follows:-

	£1 Ordinary Shares	
	1/1/1982	31/3/83
E. Sprung	467	449
I. Sprung	467	449

CLOSE COMPANY STATUS

In the opinion of the directors, the close company provisions of the Income and Corporation Taxes Act 1970 are applicable to the company.

AUDITORS

Messrs. Beecham and Co. have expressed their willingness to continue in office as auditors, and a resolution to this effect will be proposed at the forthcoming Annual General Meeting.

Registered Office:

18, Bedford Row,
London,
WC1R 4EJ.

By Order of the Board

I. Sprung
I. SPRUNG.

29th November, 1983.

SECRETARY

AUDITORS' REPORT

to the members of

FELVILLE INVESTMENT CO. LIMITED

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We have audited the financial statements on pages 4 to 11. Our audit was conducted in accordance with approved Auditing Standards, having regard to the matters referred to in the following paragraph.

In common with many businesses of similar size and organisation, the company's system of control is dependant upon the close involvement of the directors, who are major shareholders. Where independent confirmation of the completeness of the accounting records was therefore not available, we have accepted assurances from the directors that all the company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion, the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 31st March 1983 and of its results and source and application of funds for the accounting reference period ended on that date, and comply with the Companies Acts 1948 to 1981.

18, Bedford Row,
London,
WC1R 4EJ.

BEECHAM AND CO.

Chartered Accountants

29th November, 1983.

FELVILLE INVESTMENT CO. LIMITED
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PROFIT AND LOSS ACCOUNT
=====

PERIOD ENDED 31st March 1983
=====

	15 months to 31/3/83 ----- £	12 months to 31/12/81 ----- £
Turnover	3,948,730	3,208,561
Cost of sales	(3,700,503)	(2,984,061)
Gross profit	248,227	224,500
Distribution costs	(16,002)	(10,333)
Administration costs	(181,125)	(141,084)
Other operating income (Note 4)	2,623	(13)
Interest payable and similar charges	(6,144)	(2,040)
Profit on ordinary activities before taxation (Note 2)	47,579	71,030
Tax on profit on ordinary activities (Note 3)	(3,123)	(434)
Profit on ordinary activities after taxation (Note 12)	£44,456 =====	£70,596 =====

FELVILLE INVESTMENT CO. LIMITED

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BALANCE SHEET

31st March 1983

15 months to
31/3/83

12 months to
31/12/81

£

£

£

£

FIXED ASSETS				
Tangible assets	(Note 4)			
Investments	(Note 14)	19,539		23,732
		285,000		129,740
CURRENT ASSETS				
Stocks	(Note 6)	369,673		310,818
Debtors	(Note 7)	206,008		174,764
Cash at bank and in hand		-		47,117
		575,681		532,699
CREDITORS (Amounts falling due within one year)	(Note 8)	390,886		316,976
NET CURRENT ASSETS		184,795		215,723
TOTAL ASSETS LESS CURRENT LIABILITIES		£489,334		£369,195

Financed by:

CREDITORS (Amounts falling due after more than one year)	(Note 10)	65,571		159,193
CAPITAL AND RESERVES				
Called up share capital				
Other reserves	(Note 11)	1,000		1,000
Profit and loss account	(Note 12)	214,703		45,398
	(Note 12)	208,060		163,604
		423,763		210,002
		£489,334		£369,195

E. SPRUNG

Directors

I. SPRUNG

FELVILLE INVESTMENT CO. LIMITED
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STATEMENT OF SOURCE AND APPLICATION OF FUNDS
=====

PERIOD ENDED 31st March 1983
=====

	15 months to 31/3/83	12 months to 31/12/81
	£	£
SOURCE OF FUNDS =====		
NET PROFIT, AFTER TAXATION	44,458	70,597
Add: adjustment for items not involving the movement of funds:		
Depreciation	13,633	11,376
Loss on disposal of fixed assets	-----	133
	13,633	11,509
Funds generated from operations	58,091	82,106
Funds generated from other sources		
Disposal of tangible fixed assets	-----	500
Disposal of investments	14,045	-----
	14,045	500
	72,136	82,606
APPLICATION OF FUNDS =====		
Acquisition of tangible fixed assets	9,440	7,211
Loan repayments	5,227	3,168
	14,667	10,379
INCREASE IN WORKING CAPITAL	£57,469	£72,227
	=====	=====
The increase/(decrease) in working capital is represented by the following movements:		
NON-CASH BALANCES		
Finished goods and goods for resale	58,855	55,919
Debtors	31,243	18,724
Creditors	9,018	25,441
Loan creditors	1,563	1,250
Taxation	(1,546)	584
Director's current account	2,380	(2,301)
	101,513	99,617
CASH BALANCES	(44,044)	(27,390)
	£57,469	£72,227
	=====	=====

NOTES TO THE ACCOUNTS
=====

31st March 1983
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1 ACCOUNTING POLICIES

Depreciation of fixed assets
=====

Fixed assets are depreciated over their estimated useful lives by the reducing balance method at the following rates:

Plant and machinery	20% per annum
Fixtures and fittings	25% per annum
Motor vehicles	25% per annum

Computer equipment is written off in equal instalments over 4 years.

No provision is made for the depreciation of freehold buildings held for investment purposes.

Stock
=====

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

Deferred taxation
=====

No provision for deferred taxation has been made in these accounts, as the directors are of the opinion that no liability is likely to arise in the foreseeable future.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION
is stated after charging the following amounts:

	1983 ----- £	1981 ----- £
Directors' remuneration		
Staff costs	14,000	15,530
Wages and salaries		
Social security costs	73,508	55,444
Auditors' remuneration	11,131	8,855
Depreciation	4,250	4,500
Loss on disposal of fixed assets	13,633	11,376
Interest payable on borrowings repayable within 5 years:	-	133
Bank interest		
	5,617 =====	3,583 =====

FELVILLE INVESTMENT CO. LIMITED
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NOTES TO THE ACCOUNTS (continued)
=====

31st March 1983
=====

3 TAXATION ON ORDINARY ACTIVITIES

No liability to corporation tax arises on the results of the period, and there are estimated losses available to be carried forward amounting to approximately £91,000.

The charge/(credit) to taxation is comprised as follows:

	1983		1981	
	£	£	£	£
Corporation tax				
=====				
at 38%, based on the				
investment income of the				
period	1,546		-	
underprovision in respect of				
previous periods	1,422		407	
interest on overdue tax	155		26	
	-----		-----	
	3,123			433
	-----			-----
	3,123			433
	=====			=====

4 OTHER OPERATING INCOME

Rents receivable	2,623	(13)
	-----	-----
	2,623	(13)
	=====	=====

Rents receivable are arrived at after charging mortgage and bank interest payable amounting to £24,612 (1981: £20,745).

FELVILLE INVESTMENT CO. LIMITED
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NOTES TO THE ACCOUNTS (continued)
=====

31st March 1983
=====

5 TANGIBLE ASSETS

	Cost £	Depreciation £	Net book value £
Plant and machinery =====			
Brought forward	3,229	(1,311)	1,918
Charge	-	(599)	(599)
Carried forward	3,229	(1,910)	1,319
	=====	=====	=====
Motor vehicles =====			
Brought forward	14,489	(7,037)	7,452
Additions	3,812	-	3,812
Charge	-	(3,123)	(3,123)
Carried forward	18,301	(10,160)	8,141
	=====	=====	=====
Fixtures and fittings =====			
Brought forward	6,495	(3,008)	3,487
Additions	2,628	-	2,628
Charge	-	(1,912)	(1,912)
Carried forward	9,123	(4,920)	4,203
	=====	=====	=====
Computer equipment =====			
Brought forward	29,000	(18,125)	10,875
Additions	3,000	-	3,000
Charge	-	(7,999)	(7,999)
Carried forward	32,000	(26,124)	5,876
	=====	=====	=====
Summary of fixed assets =====			
Brought forward	53,213	(29,481)	23,732
Additions	9,440	-	9,440
Charge	-	(13,633)	(13,633)
Carried forward	£62,653	£(43,114)	£19,539
	=====	=====	=====

FELVILLE INVESTMENT CO. LIMITED
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NOTES TO THE ACCOUNTS (continued)
=====

31st March 1983
=====

	1983 ----- £	1981 ----- £
6 STOCKS		
Finished goods and goods for resale	369,673	310,818
	-----	-----
	369,673	310,818
	=====	=====
7 DEBTORS		
Amounts due within one year		
Trade debtors	180,048	159,331
Other debtors	13,225	-
Prepayments and accrued income	12,735	15,433
	-----	-----
	206,008	174,764
	=====	=====
8 CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)		
Mortgage loans	90,000	3,168
Bank loans and overdrafts	95,971	99,044
Trade creditors	179,457	190,741
Taxation and social security	11,796	8,846
Other creditors (Note 9)	1,373	4,698
Accruals and deferred income	12,289	10,479
	-----	-----
	390,886	316,976
	=====	=====
9 DIRECTORS' CURRENT ACCOUNTS (included in "Other creditors")		
E. Sprung	123	2,503
	=====	=====
10 CREDITORS (AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR)		
Mortgage loans	51,604	143,664
Other creditors	13,967	15,529
	-----	-----
	65,571	159,193
	=====	=====
The mortgage loans have been secured on investment properties. The outstanding loan is repayable over ten years and bears interest at the rate of 3.5% over bank's base rate.		
11 SHARE CAPITAL		
Authorised, issued and fully paid		
=====		
1,000 Ordinary shares of £1 each	1,000	1,000
	=====	=====

FELVILLE INVESTMENT CO. LIMITED
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NOTES TO THE ACCOUNTS (continued)
=====

31st March 1983
=====

	1983 ----- £	1981 ----- £
12 RESERVES		
Profit and loss account		
=====		
Surplus brought forward	163,604	93,008
Profit for the financial period	44,456	70,596
Surplus carried forward	208,060	163,604
	=====	=====
Other reserves		
=====		
Investment revaluation reserve		
Brought forward	-	-
Current period revaluation	169,305	-
	-----	-----
Capital reserve	169,305	-
	45,398	45,398
	-----	-----
	214,703	45,398
	=====	=====

13 PARTICULARS OF EMPLOYEES

The average number of employees during the period was 20 (Last year: 20). These employees can be categorised as follows:

Directors	- 2
Office staff	- 2
Warehouse staff	- 16

14 INVESTMENTS

Freehold land and buildings
=====

Brought forward, at cost	129,740	129,740
Disposals	(14,045)	-
Revaluation	169,305	-
	-----	-----
Carried forward, at valuation	285,000	129,740
	=====	=====

The investment properties have been revalued at open market value by Mr. E. Sprung, the managing director of the company.