

68576

LANDMARK CASH & CARRY LIMITED

Directors' Report and Accounts

27TH APRIL 1996



DIRECTORS' REPORT

Directors: S Parfett (Chairman) (appointed 11.10.95)
A Murdoch (Chairman) (resigned 11.10.95)
Y Ali
P F Blakemore
S W Denny (resigned 4.1.96)
M Johal (appointed 11.10.95)
J Mace
P Martin
M McGee
M A Pervez
L Roger (appointed 11.10.95)
D R Sharratt (resigned 12.3.96)
M R Middleditch

Secretary: P W Marchant

Registered Office: 32-40 Headstone Drive, Harrow, Middlesex HA3 5QT

Registered Number: 659576

The directors submit their report and the accounts for the financial year ended 27th April 1996.

ACTIVITIES

The company does not trade and therefore no profit and loss account has been prepared. Its function is to regulate matters relating to membership of the Landmark Cash & Carry organisation.

Landmark is the major cash and carry group in the UK with 21% of the market. The third largest organisation in total size, Landmark encompasses nearly all the major independent cash and carry's in Britain. Spar Landmark Limited acts as central office to the 30 member companies who between them own 71 individual depots, 4 associate members and 8 under licence. The major services provided are overrider discounts, national promotions and income, own brands and advice on legislation, marketing and operational matters. Overrider discounts are provided in conjunction with its sister organisation, Spar, with whom it shares organisation costs. The breakdown of business within Landmark is 32% licensed based products, 24% cigarettes and tobacco, 44% grocery, confectionery and catering products. The own brands are LifeStyle (quality grocery), Price Point (small range of low priced household goods), Caterers Kitchen (products of caterers), Characters (confectionery/soft drinks) and Number 3 (cigarettes). Landmark members service 1,500 independent stores trading under the LifeStyle fascia.

The turnover of Spar Landmark Limited is £338 million (1995 - £312 million) representing its direct trade with its Spar and Landmark members for own brands and exclusive products, the accounts for which deal with the negotiations carried out on their behalf with proprietary suppliers. Spar Landmark Limited also negotiates advertising allowances and overriding discounts and commissions on behalf of its member companies. These are not included in its turnover and they amounted to £36.3 million (1995 - £33.5 million).

DIRECTORS' REPORT (continued)

Landmark Cash & Carry Limited wholly owns Independent Food Services Limited which possesses the LifeStyle, Caterers Kitchen, Price Point and other exclusive trade marks and is responsible for the quality control of these labels. Independent Food Services Limited, in turn, wholly owns Independent Cigarette Company Limited, the owner of Number 3 and Style brands.

The company holds 50% of the shares of Spar Landmark Services Limited, the parent company of Spar Landmark Limited, which is the central office of both the Spar retail and Landmark cash and carry organisations.

DIRECTORS

A Murdoch resigned on 11th October 1995, S W Denny resigned on 4th January 1996 and D R Sharratt resigned on 12th March 1996. L Roger and M Johal were appointed on 11th October 1995 and S Parfett was appointed chairman on 11th October 1995. The other directors listed above held office throughout the year.

According to the register maintained by the company for the purposes of Section 324 of the Companies Act 1985 Mr P F Blakemore, Mr J Mace, Mr P Martin and Mr S Parfett each have an interest in one ordinary share of the Company.

The directors and officers of the company are covered by indemnity insurance.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial 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 judgments 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.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the annual general meeting.



By order of the Board
P W Marchant
Secretary
13th September 1996

REPORT OF THE AUDITORS TO THE MEMBERS OF LANDMARK CASH & CARRY LIMITED

We have audited the financial statements on pages 4 and 5 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 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.

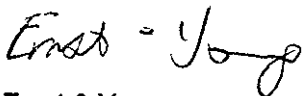
BASIS OF OPINION

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 judgments 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 27th April 1996 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants

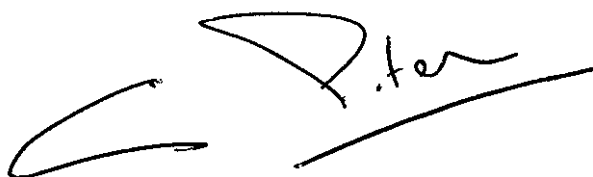
Registered Auditor
London
13th September 1996

LANDMARK CASH & CARRY LIMITED

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BALANCE SHEET AS AT 27TH APRIL 1996

	1996 £	1995 £
FIXED ASSETS		
Unlisted investment	170	170
Intangible assets - preliminary expenses	46	46
	<hr/>	<hr/>
	216	216
CURRENT ASSETS		
Debtors	54	54
	<hr/>	<hr/>
CURRENT LIABILITIES		
Amount due to subsidiary undertaking	70	70
Creditors	100	100
	<hr/>	<hr/>
	170	170
	<hr/>	<hr/>
	£100	£100
	<hr/>	<hr/>
CALLED-UP SHARE CAPITAL		
Authorised, Allotted and Called-up 100 Ordinary shares of £1 each	£100	£100
	<hr/>	<hr/>



S PARFETT

Director

13th September 1996

NOTES ON THE ACCOUNTS - 27TH APRIL 1996

1. ACCOUNTING POLICIES

Accounting convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

2. The unlisted investment comprises 50 deferred shares and 50 ordinary shares of £1 each in Spar Landmark Services Limited which represents 50% of issued shares of each class. the other 50% of each class of shares is held by Spar Food Distributors Limited. As Spar Landmark Services Limited makes neither a profit or a loss the directors believe that to equity account for this associated undertaking would involve disproportionate expense and delay and has therefore been accounted for as a normal investment. Spar Landmark Services' consolidated net assets at 27th April 1996 total £373,120 (1995 - £373,120). The attributed share of profit for 1996 is NIL (1995 - NIL). The company's share of retained earnings is NIL (1995 - NIL).

Also, the company owns the whole of the issued capital of Independent Food Services Limited, a company registered in England. The cost of the investment is £70 and there is an equal amount owing to the subsidiary undertaking.

The directors are of the opinion that the value of the investment is not less than the amount shown in the balance sheet.

3. £47,090 has been paid to member wholesalers by a third party for making available the services of directors of the company.