

439600
/77

CONTENTS

PAGE

Report of the directors	2 - 3
Report of the auditors	4
Profit and loss account	5
Balance sheet	6
Source and application of funds statement	7
Notes on the accounts	8 - 13



BRITISH MAIL ORDER CORPORATION LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the accounts for the year ended 31st March 1982.

ACTIVITIES

The principal activity of the company is the retailing of goods by mail order in the United Kingdom.

PROFIT AND APPROPRIATIONS

The profit for the year after taxation was £7,165,000.

This has been appropriated as follows:

A dividend of £168 is payable on the first preference shares.

The directors recommend that a dividend of £2,866,000 be paid on the ordinary shares, and that the balance of £4,299,000 be carried to reserves.

DIRECTORS

The directors who held office during the year were:

A. T. Spittle
M. J. C. Harris
M. A. G. Barber
B. J. Gladwin
P. M. Harris
T. W. Head
A. Hutchinson - (appointed 9th November 1981)
C. Kramer
N. D. Pattinson
J. J. Strawbridge
V. Watson - (resigned 31st March 1982)
P. L. Weigh
L. J. Tennant - (resigned 30th April 1981)

Mr. A. T. Spittle is a director of The Great Universal Stores p.l.c., of which the company is a wholly owned subsidiary.

The interests of the other directors who held office at 31st March 1982 in the share capital of the company's ultimate holding company, The Great Universal Stores p.l.c., were as follows:

BRITISH MAIL ORDER CORPORATION LIMITED

REPORT OF THE DIRECTORS (Continued)

	<u>31st March 1982</u>	<u>1st April 1981 or date of appointment</u>
M. J. C. Harris	NIL	NIL
M. A. G. Barber	NIL	NIL
B. J. Gladwin	NIL	NIL
P. M. Harris	NIL	NIL
T. W. Head	NIL	NIL
A. Hutchinson	NIL	NIL
C. Kramer		
Ordinary stock units of 25p each	10	10
'A' ordinary stock units of 25p each	3,007	3,007
N. D. Pattinson	NIL	NIL
J. J. Strawbridge	NIL	NIL
P. L. Weigh	NIL	NIL

The above directors had no further interests, either at the beginning of the year or at date of appointment or at the end of the year, in any shares or debentures of the company, the company's ultimate holding company or any subsidiary thereof.

DISABLED PERSONS

Applications for employment by disabled persons are always fully considered taking into account the aptitudes and abilities of the applicant concerned.

Where employees become disabled, the company endeavours to continue to employ such people provided there are duties which they can perform bearing in mind the handicap or disability.

It is the policy of the company that training, career development and promotion of disabled employees should, as far as possible, be identical to that of other employees.

AUDITORS

In accordance with Section 14 of the Companies Act 1976 a resolution proposing the re-appointment of Deloitte Haskins & Sells as auditors to the company will be put to the annual general meeting.

BY ORDER OF THE BOARD



Secretary

REPORT OF THE AUDITORS
TO THE MEMBERS OF BRITISH MAIL ORDER CORPORATION LIMITED

We have audited the accounts set out on pages 5 to 13 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st March 1982 and of its profit and source and application of funds for the year then ended and comply with the Companies Acts 1948 to 1981.

Deloitte Haskins & Sells

Chartered Accountants

6 October 1982

Manchester

BRITISH MAIL ORDER CORPORATION LIMITED


PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 1982

	<u>Notes</u>	<u>1982</u> <u>£'000</u>	<u>1981</u> <u>£'000</u>
Turnover (including value added tax £37,732,000:(1981 - £36,815,000)	2	<u>310,481</u>	<u>305,549</u>
Profit before taxation	3	9,331	9,618
Taxation	5	<u>2,166</u>	<u>2,452</u>
Profit after taxation		7,165	7,166
Proposed dividend on ordinary shares		<u>2,866</u>	<u>2,867</u>
Retained in the business	9	<u>4,299</u>	<u>4,299</u>

BRITISH MAIL ORDER CORPORATION LIMITED

BALANCE SHEET AT 31st MARCH 1982

	Notes	1982 £'000	1981 £'000
FIXED ASSETS	6	16,156	16,595
CURRENT ASSETS			
Stocks		78,326	63,066
Debtors	7	524	574
Amounts owing by fellow subsidiaries		88,100	83,591
Bank balances and cash		3,045	1,735
		169,995	148,966
CURRENT LIABILITIES			
Creditors		49,782	45,159
Amounts owing to fellow subsidiaries		32,238	28,087
Amount owing to holding company		23,627	18,262
Corporation tax		4,637	2,872
Proposed ordinary dividend		2,866	2,867
		113,150	97,247
NET CURRENT ASSETS		56,845	51,719
		73,001	68,314
Financed by:			
SHARE CAPITAL	8	5	5
RESERVES	9	64,357	60,058
SHAREHOLDERS' FUNDS		64,362	60,063
DEFERRED LIABILITIES			
Deferred taxation	10	1,230	1,346
Deferred creditor	1	7,409	6,905
		8,639	8,251
		73,001	68,314

a.r.s. pille


) Directors
)

30 SEP 1982

 Date approved

BRITISH MAIL ORDER CORPORATION LIMITED

SOURCE AND APPLICATION OF FUNDS STATEMENT
FOR THE YEAR ENDED 31st MARCH 1982

	<u>1982</u> <u>£'000</u>	<u>1981</u> <u>£'000</u>
<u>SOURCE</u>		
From operations:		
Profit before taxation	9,331	9,618
Depreciation	1,288	1,170
Receipts from fellow subsidiaries in respect of group relief	3	205
	<u>10,622</u>	<u>10,993</u>
<u>APPLICATION</u>		
Purchases less sales of fixed assets	849	477
Taxation paid	520	10
Dividends paid	2,867	4,315
	<u>4,236</u>	<u>4,802</u>
Increase/(decrease) in working capital:		
Stocks	15,260	(11,413)
Debtors	(50)	197
Amounts owing by fellow subsidiaries	4,509	30,695
Bank balances and cash	1,310	511
	<u>21,029</u>	<u>19,990</u>
Creditors (including deferred creditors)	(5,127)	(5,511)
Amount owing to fellow subsidiaries	(4,151)	(403)
Amount owing to holding company	(5,365)	(7,885)
	<u>(14,643)</u>	<u>(13,799)</u>
	<u>6,386</u>	<u>6,191</u>
	<u>10,622</u>	<u>10,993</u>

BRITISH MAIL ORDER CORPORATION LIMITED

NOTES ON THE ACCOUNTS

1. ACCOUNTING POLICIES

(a) Basis of accounting

The accounts are drawn up on the historical cost basis of accounting.

(b) Depreciation of fixed assets

Depreciation is not provided on office freehold properties, as the amount is not considered material in the context of the company.

Other assets have been depreciated as follows:

Freehold warehouses - on a straight line basis at the rate of 2% per annum.

Long and short leasehold properties - on a straight line basis over the period of the lease with a minimum rate of 2% per annum.

Other - on a straight line basis generally at the following rates per annum: Office machinery 20%, warehouse equipment 12½%, fixtures and fittings 10%, motor vehicles 25%.

(c) Stocks

Stocks are valued consistently at the lower of cost and net realisable value.

Provision is made to reduce cost to net realisable value having regard to the age, condition and saleability of stock. All stocks are goods held for resale.

(d) Deferred taxation

Provision is made for deferred taxation at the rate applicable at the balance sheet date on timing differences unless there is a reasonable probability that the liability will not arise within three years.

(e) Value Added Tax (V.A.T.)

V.A.T. is included in the accounts on the basis of the V.A.T. content of sales at the rate applicable on the date the sale is recorded. As the company is using a special retailers scheme the difference between V.A.T. so computed and the amount payable on collections is included in deferred creditors.

BRITISH MAIL ORDER CORPORATION LIMITED

NOTES ON THE ACCOUNTS (Continued)

2. TURNOVER

Turnover represents the amount received or receivable, including value added tax, for goods supplied to customers.

3. PROFIT BEFORE TAXATION

	<u>1982</u> <u>£'000</u>	<u>1981</u> <u>£'000</u>
This is stated after crediting:		
Interest receivable from fellow subsidiary	5,150	4,026
and after charging:		
Directors' emoluments	231	174
Auditors' remuneration	50	50
Depreciation of fixed assets	1,288	1,170
Hire of plant and machinery	1,296	1,297
Interest payable to fellow subsidiaries	14	9

4. DIRECTORS' EMOLUMENTS

	<u>1982</u> <u>£'000</u>	<u>1981</u> <u>£'000</u>
Management remuneration and pension contributions	231	174
Emoluments of the chairman were:	NIL	NIL
Emoluments of highest paid director (excluding pension contributions) were:	36	28

The number of other directors who received amounts (excluding pension contributions) in the following ranges were:

	<u>1982</u>	<u>1981</u>
£ NIL - £ 5,000	4	6
£ 5,001 - £10,000	1	1
£10,001 - £15,000	1	-
£20,001 - £25,000	1	5
£25,001 - £30,000	2	-
£30,001 - £35,000	2	-

BRITISH MAIL ORDER CORPORATION LIMITED

NOTES ON THE ACCOUNTS (Continued)

5. TAXATION

	<u>1982</u> <u>£'000</u>	<u>1981</u> <u>£'000</u>
Corporation tax	2,285	2,810
Deferred taxation	(119)	(185)
	<u>2,166</u>	<u>2,625</u>
Tax adjustments of prior years	-	(173)
	<u>2,166</u>	<u>2,452</u>

Corporation tax, which is based on the profit for the year, has been calculated at a rate of 52% for 1982 (1981 - 52%).

The charge for this year has been reduced by £2,686,000 (1981 - £2,376,000) in respect of stock relief and other timing differences.

BRITISH MAIL ORDER CORPORATION LIMITED

NOTES ON THE ACCOUNTS (Continued)

6. FIXED ASSETS

	<u>Freehold properties</u> £'000	<u>Long leasehold properties</u> £'000	<u>Fixtures and other equipment</u> £'000	<u>Total</u> £'000
AT COST				
At 1st April 1981	12,437	816	9,507	22,760
Additions	15	-	879	894
Sales	-	-	(112)	(112)
At 31st March 1982	<u>12,452</u>	<u>816</u>	<u>10,274</u>	<u>23,542</u>
DEPRECIATION				
At 1st April 1981	537	92	5,536	6,165
Provided in year	174	11	1,103	1,288
Sales	-	-	(67)	(67)
At 31st March 1982	<u>711</u>	<u>103</u>	<u>6,572</u>	<u>7,386</u>
NET BOOK VALUE				
At 31st March 1982	<u>11,741</u>	<u>713</u>	<u>3,702</u>	<u>16,156</u>
At 31st March 1981	<u>11,900</u>	<u>724</u>	<u>3,971</u>	<u>16,595</u>

CAPITAL COMMITMENTS

Capital commitments are as follows:

	<u>1982</u> £'000	<u>1981</u> £'000
(i) For which contracts had been placed at the date of the accounts	<u>2,328</u>	<u>166</u>
(ii) Authorised by the directors but for which contracts had not been placed at the date of the accounts	<u>24</u>	<u>-</u>

BRITISH MAIL ORDER CORPORATION LIMITED

NOTES ON THE ACCOUNTS (Continued)

7. **INSTALMENT DEBTS**

Instalment debts due to the company at 31st March 1982 amounted to £72,416,000 (1981 - £71,580,000), the beneficial interest in the whole of which has been sold to a fellow subsidiary company. The company collects such debts, which it guarantees, on behalf of the fellow subsidiary which, in return, pays the company a monthly commission based on the instalments collected.

8. **SHARE CAPITAL**

	<u>1982</u> £	<u>1981</u> £
Authorised:		
6% (now 4.2% plus related tax credit) cumulative first preference shares of £1 each	4,000	4,000
6% (now 4.2% plus related tax credit) redeemable cumulative participating second preference shares of £1 each	500 874	500 874
Ordinary shares of £1 each	<u>£ 5,374</u>	<u>£ 5,374</u>
Issued and fully paid:		
6% (now 4.2% plus related tax credit) cumulative first preference shares of £1 each	4,000 874	4,000 874
Ordinary shares of £1 each	<u>£ 4,874</u>	<u>£ 4,874</u>

9. **RESERVES**

	<u>Capital redemption reserve fund</u> £'000	<u>Share premium</u> £'000	<u>Retained profits</u> £'000	<u>Total</u> £'000
At 31st March 1981	1	1,927	58,130	60,058
Retained profit for the year	-	-	4,299	4,299
At 31st March 1982	<u>1</u>	<u>1,927</u>	<u>62,429</u>	<u>64,357</u>

BRITISH MAIL ORDER CORPORATION LIMITED

NOTES ON ACCOUNTS (Continued)

10. DEFERRED TAXATION

There is a potential liability in respect of the excess of book values of fixed assets over written down values for tax purposes and other timing differences of approximately £2,753,000 (1981 - £2,869,000) of which £1,230,000 (1981 - £1,346,000) has been provided in the accounts.

11. COMPANIES ACT 1981

The company is not yet required to comply with the accounting and disclosure provisions of Part I of the Companies Act 1981. These accounts are drawn up in accordance with Section 149A of, and Schedule 8A to, the Companies Act 1948.

12. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is The Great Universal Stores p.l.c., which is incorporated in Great Britain.