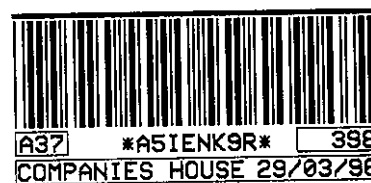


Company no. 01505036

**T J MORRIS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 1995**



**T J MORRIS LIMITED**

**YEAR ENDED 30TH JUNE 1995**

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**DIRECTORS**

T J Morris  
Mrs L Morris

(Resigned 15th March 1995)

**COMPANY SECRETARY**

J L Morris

**REGISTERED OFFICE**

T J Morris Limited  
Fallows Way  
Whiston Enterprise Park  
Prescot  
L35 1RZ

**AUDITORS**

Moore Stephens  
Barratt House  
47/49 North John Street  
Liverpool L2 6TG

**INDEX TO FINANCIAL STATEMENTS**

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1 - 2	Report of the Directors
3	Report of the Auditors
4	Profit and Loss Account
5	Balance Sheet
6	Cash Flow Statement
7 - 14	Notes to the Financial Statements

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**The following does not form part of the statutory accounts:**

15 - 16	Trading and Profit and Loss Account
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**T J MORRIS LIMITED**  
**REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 30TH JUNE 1995**

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The directors have pleasure in presenting their annual report and financial statements for the year ended 30th June 1995.

**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 the affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

**Review of the business**

The company is principally engaged as wholesale distributors and retailers of toiletries, cosmetics and other household items.

The directors consider the state of the company's affairs to be satisfactory.

**Results and dividends**

The profit after tax for the year amounted to £1,532,639, as shown on page 4.

This amount is taken to reserves.

The directors do not recommend the payment of a dividend.

**Fixed assets**

Movements in fixed assets are shown in the notes to the financial statements.

**T J MORRIS LIMITED**  
**REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 30TH JUNE 1995**

---

**Directors**

The directors during the year under review and the shares in the company in which they were interested at the beginning and end of the year were:

	Ordinary shares of £1 each	
	At 1st July 1994	At 30th June 1995
T J Morris	19,000	19,000
Mrs L Morris	1,000	1,000
(Resigned 15th March 1995)		

**Auditors**

The auditors, Messrs. Moore Stephens, are willing to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

Signed on behalf of the board



T J Morris

**Director**

Date: 14th November 1995

**AUDITORS' REPORT TO THE SHAREHOLDERS OF**

**T J MORRIS LIMITED**

We have audited the financial statements on pages 4 to 14 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

**Respective responsibilities of directors and auditors**

As described on page 1 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 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 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 30th June 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

LIVERPOOL

16TH NOVEMBER 1995



MOORE STEPHENS

REGISTERED AUDITORS

CHARTERED ACCOUNTANTS

## T J MORRIS LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED  
30TH JUNE 1995

		Total 1995	Total 1994
	Notes		
TURNOVER	2	£ 30,604,995	£ 22,682,544
Cost of sales		(24,379,982)	(17,679,640)
GROSS PROFIT		6,225,013	5,002,904
Administrative expenses		(3,887,809)	(3,396,622)
OPERATING PROFIT	3	2,337,204	1,606,282
Profit (loss) on disposal of fixed assets		964	(6,802)
PROFIT ON ORDINARY ACTIVITIES		2,338,168	1,599,480
Other interest receivable and similar income		18,189	748
		2,356,357	1,600,228
Interest payable	5	(1,907)	(17,455)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,354,450	1,582,773
Tax on profit on ordinary activities	6	(821,811)	(581,632)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>1,532,639</u>	<u>1,001,141</u>

The company has neither acquired or commenced any new business activities in the year nor discontinued any operations and it has no recognised gains or losses other than the profit for the year.


T J MORRIS LIMITED

BALANCE SHEET

30TH JUNE 1995

	Notes	1995	1994
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	7	4,093,575	3,866,683
Investments	8	<u>2,500</u>	<u>2,500</u>
		<u>4,096,075</u>	<u>3,869,183</u>
<b>CURRENT ASSETS</b>			
Stocks	9	3,813,373	2,850,758
Debtors due within one year	10	1,587,589	927,268
Cash at bank and in hand		<u>7,571</u>	<u>39,044</u>
		<u>5,408,533</u>	<u>3,817,070</u>
<b>CREDITORS: Amounts falling due within one year</b>	11	<u>(3,568,852)</u>	<u>(3,283,223)</u>
<b>NET CURRENT ASSETS</b>		<u>1,839,681</u>	<u>533,847</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		5,935,756	4,403,030
<b>CREDITORS: Amounts falling due after more than one year</b>	12	(3,482)	(11,735)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	14	<u>(121,119)</u>	<u>(112,779)</u>
		<u>5,811,155</u>	<u>4,278,516</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	15	20,000	20,000
Profit and loss account		<u>5,791,155</u>	<u>4,258,516</u>
<b>Equity Shareholders' Funds</b>		<u>5,811,155</u>	<u>4,278,516</u>

Approved by the board on: 14th November 1995

  
 .....  
 T J Morris  
 Director

The notes set out on pages 7 to 14 form part of these financial statements

T J MORRIS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE 1995

	1995	1994
	£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES (Note 20)	1,584,700	<u>836,992</u>
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	18,189	748
Interest paid	(657)	(15,150)
Hire purchase and finance lease interest paid	<u>(1,250)</u>	<u>(2,305)</u>
NET CASH INFLOW (OUTFLOW) FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	16,282	<u>(16,707)</u>
TAXATION		
Tax payments	<u>(556,540)</u>	<u>(457,650)</u>
TAX PAYMENTS	(556,540)	<u>(457,650)</u>
INVESTING ACTIVITIES		
Payments to acquire tangible fixed assets	(593,730)	(727,438)
Receipts from sales of tangible fixed assets	<u>23,561</u>	<u>81,100</u>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	<u>(570,169)</u>	<u>(646,338)</u>
NET CASH INFLOW (OUTFLOW) BEFORE FINANCING	474,273	<u>(283,703)</u>
FINANCING		
Hire purchase and finance lease repayments	<u>(13,164)</u>	<u>(15,783)</u>
NET CASH (OUTFLOW) INFLOW FROM FINANCING	<u>(13,164)</u>	<u>(15,783)</u>
INCREASE IN CASH AND CASH EQUIVALENTS (Note 20)	<u>461,109</u>	<u>(299,486)</u>

The notes set out on pages 7 to 14 form part of these financial statements



**T J MORRIS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 1995**

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**1 ACCOUNTING POLICIES**

**(a) Basis of accounting**

These financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

**(b) Stock**

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

**(c) Depreciation**

Depreciation is calculated to write off the cost or valuation, less estimated residual values, of tangible fixed assets over their estimated useful lives to the business. The annual depreciation rates and methods are as follows:

Freehold Properties	- Buildings 2% on cost
Leasehold Properties	
Premium	- Over period of lease
Building Improvements	- Over 8 years from the last major refurbishment
Plant and Machinery	- 15% on the reducing balance method
Motor Vehicles	- 25% on the reducing balance method
Fixtures and Fittings	- 15% on the reducing balance method

**(e) Deferred taxation**

Provisions are made so that the deferred taxation account represents corporation tax, calculated on the liability method, in respect of the excess of tax allowances given for fixed assets over the depreciation provided, except to the extent that the directors are able to foresee that no liability is likely to arise from a reversal of the above timing differences for some considerable period.

**(f) Grants**

Grants of a revenue nature are credited to income in the period to which they relate.

Capital grants are credited to a deferred income account and amortised to the profit and loss account over the expected useful lives of the fixed assets involved.

**(g) Pensions**

The company operates a defined contribution pension scheme for which the details are provided in note 19.

**T J MORRIS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 1995**

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(h) **Assets leased**

Where the company enters into operating and/or finance leases, its policy is to regard leases as finance leases where their terms give rights approximating to ownership.

Assets held under finance leases (including hire purchase contracts) are capitalised at the fair value of the asset at the inception of the lease, with an equivalent liability categorised as appropriate under creditors due within and after one year. Assets are depreciated over the shorter of the lease term and their useful economic life; in the case of assets held under hire purchase agreements they are depreciated over their useful economic life. Finance charges are allocated to accounting years over the life of each lease to produce a constant rate of charge on the outstanding balance.

Rentals under operating leases are charged on a straight-line basis over the lease term.

**2 TURNOVER**

Turnover is the total amount, excluding value added tax, receivable by the company in the ordinary course of business for goods supplied and for services provided as a principal.

**3 OPERATING PROFIT**

Operating profit is stated after charging:	1995 £	1994 £
Administrative expenses including:		
Operating lease rentals for plant and machinery	85,626	49,877
Other operating lease rentals	647,268	572,925
Depreciation	318,882	295,078
Directors' emoluments - management remuneration	42,752	30,121
Auditors' remuneration for audit services (including expenses)	<u>9,500</u>	<u>7,500</u>
and after crediting:		
Other operating income:		
Rents receivable	12,522	17,798
Amortisation of Regional Development Grant	<u>723</u>	<u>850</u>

**T J MORRIS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 1995**

**4 STAFF COSTS**

The cost of employing staff, including directors, was:	1995 £	1994 £
Wages and salaries	1,814,587	1,547,030
Social security costs	117,422	103,688
Pension costs	12,078	12,097
	<u>1,944,087</u>	<u>1,662,815</u>

The average weekly number of employees during the year was:	1995	1994
	<u>284</u>	<u>227</u>

**5 INTEREST PAYABLE**

	1995 £	1994 £
On bank loans, overdrafts and other loans wholly repayable within five years:		
Bank overdraft interest	-	15,150
Finance lease and hire purchase contracts payable by instalments	1,250	2,305
VAT surcharge	<u>657</u>	<u>-</u>
	<u>1,907</u>	<u>17,455</u>
Aggregate charges under finance leases	<u>1,250</u>	<u>2,305</u>

**6 TAXATION**

	1995 £	1994 £
UK corporation tax at 33% on the profit adjusted for tax purposes	814,000	545,000
Transfer to deferred taxation	8,340	37,952
Over provided in previous years	(529)	(1,320)
	<u>821,811</u>	<u>581,632</u>

The company is a "close" company within the provisions of the Income and Corporation Taxes Act 1988.

**T J MORRIS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30TH JUNE 1995**

**TANGIBLE FIXED ASSETS**

	Freehold Properties £	Short Leasehold Properties £	Plant and Machinery £	Motor Vehicles £	Fixtures and Fittings £	Total £
<b>COST</b>						
At 1st July 1994	2,660,260	594,151	215,575	109,864	1,395,710	4,975,560
Additions at cost	29,243	198,552	182,990	31,423	126,163	568,371
Applicable to disposals	-	-	-	(64,326)	-	(64,326)
At 30th June 1995	<u>2,689,503</u>	<u>792,703</u>	<u>398,565</u>	<u>76,961</u>	<u>1,521,873</u>	<u>5,479,605</u>
<b>DEPRECIATION</b>						
At 1st July 1994	78,036	335,851	75,781	62,227	556,982	1,108,877
Charge for the year	27,551	84,049	48,417	14,116	144,749	318,882
Released by disposals	-	-	-	(41,729)	-	(41,729)
At 30th June 1995	<u>105,587</u>	<u>419,900</u>	<u>124,198</u>	<u>34,614</u>	<u>701,731</u>	<u>1,386,030</u>
<b>NET BOOK VALUE</b>						
At 30th June 1995	<u>2,583,916</u>	<u>372,803</u>	<u>274,367</u>	<u>42,347</u>	<u>820,142</u>	<u>4,093,575</u>
At 30th June 1994	<u>2,582,224</u>	<u>258,300</u>	<u>139,794</u>	<u>47,637</u>	<u>838,728</u>	<u>3,866,683</u>

Details of fixed assets held under finance leases and hire purchase contracts, which are included in the relevant headings in the table above, are as follows:

	1995 £	1994 £
Net book value at 30th June 1995	<u>52,983</u>	<u>52,851</u>
Depreciation charge for the year	<u>13,342</u>	<u>17,617</u>

**T J MORRIS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 1995**

**8 INVESTMENTS**

Unlisted investments	£
At 1st July 1994 and	
At 30th June 1995	<u>2,500</u>

**9 STOCKS**

	1995	1994
	£	£
Goods for resale	<u>3,813,373</u>	<u>2,850,758</u>

**10 DEBTORS**

	1995	1994
	£	£
Trade debtors	240,858	510,372
Other debtors	939,313	77,065
Prepayments and accrued income	<u>407,418</u>	<u>339,831</u>
	<u>1,587,589</u>	<u>927,268</u>

Other debtors includes a loan to T J Morris, a director of the company, details of which are as follows:

	1995	1994
	£	£
Amount outstanding at beginning of year	48,281	-
Amount outstanding at end of year	762,523	48,281
Maximum outstanding during the year	<u>762,523</u>	<u>48,281</u>

**11 CREDITORS: Amounts falling due within one year**

	1995	1994
	£	£
Bank loans and overdrafts	440,523	933,105
Net obligations under finance leases and hire purchase contracts	12,469	8,334
Trade creditors	1,267,568	1,004,797
U.K. corporation tax	814,000	545,000
Tax and social security costs	183,529	38,347
Other creditors	391,216	266,645
Accruals and deferred income	<u>459,547</u>	<u>486,995</u>
	<u>3,568,852</u>	<u>3,283,223</u>

Secured creditors included above are as follows:

Bank loans and overdrafts:

secured by a first legal mortgage over two of the company's freehold properties and a floating charge over all moveable plant and equipment

440,523 933,105

Hire purchase instalments:

secured on the assets concerned

12,469 8,334  
452,992 941,439

T J MORRIS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1995

12	CREDITORS: Amounts falling due after more than one year		1995 £	1994 £	
	Net obligations under finance leases and hire purchase contracts (Repayable between one and two years)		-	7,639	
	Accruals and deferred income		<u>3,482</u>	<u>4,096</u>	
			<u>3,482</u>	<u>11,735</u>	
			1995 £	1994 £	
	Secured creditors included above are as follows:				
	Hire purchase instalments:				
	secured on the assets concerned		<u>-</u>	<u>7,639</u>	
13	LEASE COMMITMENTS				
	Annual commitments under operating leases				
		Land & Buildings	Other Assets	Land & Buildings	Other Assets
		1995	1995	1994	1994
	Operating leases expiring:	£	£	£	£
	Within one year	15,750	6,132	15,750	-
	After 1-5 years	50,250	60,184	46,250	55,728
	After 5 years	<u>508,144</u>	<u>-</u>	<u>427,860</u>	<u>-</u>
	Annual commitments at 30th June 1995	<u>574,144</u>	<u>66,316</u>	<u>489,860</u>	<u>55,728</u>
14	PROVISIONS FOR LIABILITIES AND CHARGES				
	Deferred taxation:	Provided	Not Provided	Provided	Not Provided
		1995	1995	1994	1994
	Corporation tax calculated in accordance with note 1 relating to:	£	£	£	£
	Tax allowances	<u>121,119</u>	<u>-</u>	<u>112,779</u>	<u>-</u>
15	SHARE CAPITAL				
		Number	Value	Number	Value
		1995	1995	1994	1994
	Authorised:		£		£
	Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
	Issued and fully paid:				
	Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

**T J MORRIS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 1995**

**16 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1995	1994
	£	£
Profit for the financial year	<u>1,532,639</u>	<u>1,001,141</u>
Net addition to shareholders' funds	1,532,639	1,001,141
Opening shareholders' funds	<u>4,278,516</u>	<u>3,277,375</u>
Closing shareholders' funds	<u>5,811,155</u>	<u>4,278,516</u>

**17 CAPITAL AND OTHER COMMITMENTS**

	1995	1994
	£	£
Capital and other commitments:		
Contracted for but not provided for	0	0
Authorised but not contracted for	<u>280,000</u>	<u>0</u>
	<u>280,000</u>	<u>0</u>

**18 CONTINGENT LIABILITIES**

On the 8th May 1990 T J Morris Limited entered into an agreement to act as guarantor to a lease taken out by Interface Systems Limited for a rental of £32,000 pa, which is subject to annual review.

**19 PENSION COSTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charge represents contributions payable by the company to the fund and amounted to £12,078 (1994 £12,097).

**20 NOTES TO CASH FLOW STATEMENT**

**i) Reconciliation of operating profit to net cash inflow from operating activities**

	1995	1994
	£	£
Operating profit	2,338,168	1,599,480
Depreciation and amortisation charges	318,159	295,078
Profit/(loss) on disposal of fixed assets	(964)	6,802
Increase in stocks	(962,615)	(664,990)
Increase in debtors	(648,251)	(251,673)
Increase (decrease) in creditors	<u>540,203</u>	<u>(147,705)</u>
Net cash inflow from operating activities	<u>1,584,700</u>	<u>836,992</u>

**ii) Analysis of changes in cash and cash equivalents during the year**

	1995	1994
	£	£
Balance at 1st July 1994	(894,061)	(594,575)
Net cash (outflow) inflow	<u>461,109</u>	<u>(299,486)</u>
Balance at 30th June 1995	<u>(432,952)</u>	<u>(894,061)</u>

T J MORRIS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH JUNE 1995

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20 NOTES TO CASH FLOW STATEMENT (CONTINUED)

iii) Analysis of the balances of cash and cash equivalents  
as shown in the balance sheet

	1995	1994
	£	£
Cash at bank and in hand	7,571	39,044
Bank overdraft	(440,523)	(933,105)
	<u>(432,952)</u>	<u>(894,061)</u>

iv) Analysis of changes in financing during the year

Hire purchase and finance lease	1995	1994
	£	£
Balance at 1st July 1994	15,973	31,756
Cash outflow from financing	(3,504)	(15,783)
Balance at 30th June 1995	<u>12,469</u>	<u>15,973</u>