

The Paper Mill Shop Company Limited  
Annual Report and Accounts  
for the period ended 31 March 2001

Registered Number: 4051783



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# The Paper Mill Shop Company Limited

## Annual Report and Accounts for the period ended 31 March 2001

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# **The Paper Mill Shop Company Limited**

## **Directors' report for the period ended 31 March 2001**

The directors present their report and the audited financial statements of the company for the period ended 31 March 2001.

### **Principal activities**

The company was incorporated and commenced trading on 11 August 2000. The principal activity of the company is the retailing of paper and associated products. It is a wholly owned subsidiary of James Cropper PLC.

### **Results**

The results for the period ended 31 March 2001 are set out on page 4.

### **Future developments**

The directors expect that the present level of activity will be maintained for the foreseeable future.

### **Dividends**

The directors recommend that no dividend be paid, and that the loss after tax of £67,963 be withdrawn from reserves.

### **Directors and their interests**

The directors who held office during the period are given below:

N A Read (Chairman)

A I Lewis

The interests of the above, both of whom are directors of ultimate parent company, James Cropper PLC, are given in the annual report of that company.

### **Directors' responsibilities**

Company law requires the directors to prepare financial statements for each financial period that 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. The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume the company will continue in business.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 March 2001 and that applicable accounting standards have been followed.

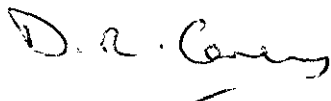
The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# The Paper Mill Shop Company Limited

## Auditors

PricewaterhouseCoopers were appointed as auditors by the directors upon the incorporation of the company. They have indicated their willingness to continue in office, and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board

A handwritten signature in dark ink, appearing to read 'D. R. Carey', with a horizontal line underneath the name.

D R Carey  
Secretary

18 June 2001

# **The Paper Mill Shop Company Limited**

## **Auditors' report to the members of The Paper Mill Shop Company Limited**

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 1, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom 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 United Kingdom 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 Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of audit 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 at 31 March 2001 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
Newcastle upon Tyne

18 June 2001

# The Paper Mill Shop Company Limited

## Profit and loss account for the period ended 31 March 2001

		Period ended 31 March 2001	
	Note	£	£
<b>Turnover – continuing operations</b>			249,898
Raw materials and consumables		(60,707)	
Other external charges		(157,273)	
Depreciation		(4,830)	
Other operating charges		(89,231)	(312,041)
<b>Operating loss – continuing operations</b>	1		(62,143)
Interest payable and similar charges	3		(2,246)
<b>Loss on ordinary activities before taxation</b>			(64,389)
Tax on loss on ordinary activities	4		(3,574)
<b>Retained loss for the financial period</b>	11		(67,963)

The company has no recognised gains or losses other than the loss above and therefore no separate statement of total recognised gains and losses has been presented.

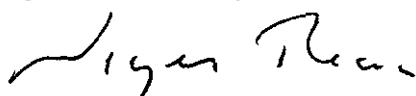
There is no difference between the reported loss on ordinary activities before taxation and the loss for the period stated above and their historical cost equivalents.

# The Paper Mill Shop Company Limited

## Balance sheet as at 31 March 2001

		31 March 2001	
	Note	£	£
<b>Fixed assets</b>			
Tangible assets	5		99,810
<b>Current assets</b>			
Stock	6	72,815	
Debtors	7	10,605	
Cash at bank and in hand		55	
			83,475
<b>Creditors - Amounts falling due within one year</b>	8		(247,673)
<b>Net current liabilities</b>			(164,198)
<b>Total assets less current liabilities</b>			(64,388)
<b>Deferred taxation</b>	9		(3,574)
<b>Net liabilities</b>			(67,962)
<b>Capital and reserves</b>			
Called up equity share capital	10		1
Profit and loss account	11		(67,963)
<b>Total equity shareholder's deficit</b>	11		(67,962)

The financial statements on pages 4 to 10 were approved by the board of directors on 18 June 2001 and were signed on its behalf by:



N A Read  
Director

# **The Paper Mill Shop Company Limited**

## **Accounting policies**

### **Accounting convention**

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

There are no comparatives as this is the company's first accounting period.

### **Turnover**

Turnover represents sales invoiced to customers and excludes value added tax.

### **Depreciation**

Depreciation is provided on a straight line basis to write off the cost of the assets over their estimated useful lives, which are as follows:

Plant and machinery - between 4 to 20 years

### **Stocks**

Stocks are stated at the lower of cost or net realisable value.

### **Deferred taxation**

The company's accounting policy for deferred taxation is in line with FRS 19, a new accounting standard that the company has chosen to adopt early. Deferred tax is provided on timing differences where the company has an obligation to pay more tax in future as a result of the reversal of those timing differences.

### **Cashflow statement**

The company is a wholly owned subsidiary of James Cropper PLC and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cashflow statement under the terms of Financial Reporting Standard 1 (Revised 1996).



# The Paper Mill Shop Company Limited

## Notes to the financial statements for the period ended 31 March 2001

### 1 Operating loss

Period ended  
31 March 2001

£

The operating loss is stated after charging:

Depreciation of tangible fixed assets	4,830
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### 2 Directors' emoluments and employee information

No directors' emoluments were payable in the period. Both directors of the company are also directors of the ultimate parent undertaking, James Cropper PLC, and details of their remuneration from the group are given in the annual report of that company.

The company has no employees.

### 3 Interest payable and similar charges

Period ended  
31 March 2001

£

Bank interest payable	2,246
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### 4 Tax on loss on ordinary activities

Period ended  
31 March 2001

£

The taxation charge comprises:

Deferred tax	3,574
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The company has surrendered the benefit of tax losses amounting to £71,725 to a fellow subsidiary undertaking without receiving any payment. Accordingly no tax losses are available for carry forward and the company has provided deferred taxation amounting to £3,574 in respect of accelerated capital allowances.

# The Paper Mill Shop Company Limited

## 5 Tangible fixed assets

	Fixtures and fittings £
<b>Cost</b>	
At 11 August 2000	-
Additions	104,640
<b>At 31 March 2001</b>	<b>104,640</b>
<b>Accumulated depreciation</b>	
At 11 August 2000	-
Charge for the period	4,830
<b>At 31 March 2001</b>	<b>4,830</b>
<b>Net book amount</b>	
<b>At 31 March 2001</b>	<b>99,810</b>
At 11 August 2000	-

## 6 Stocks

	31 March 2001 £
Goods held for resale	72,815

## 7 Debtors

	31 March 2001 £
Amounts due from group undertakings	631
Prepayments and accrued income	9,974
	<b>10,605</b>

# The Paper Mill Shop Company Limited

## 8 Creditors - Amounts falling due within one year

	31 March 2001
	£
Bank overdraft	184,021
Trade creditors	25,249
Accruals and deferred income	19,891
Amounts owing to group undertakings	18,512
	247,673

A group right of set off exists between the overdrafts of the company, its parent company, James Cropper PLC, and its fellow subsidiary, Technical Fibre Products Limited.

## 9 Deferred taxation

	£
At 11 August 2000	-
Charged to the profit and loss account	3,574
At 31 March 2001	3,574

Deferred taxation relates to accelerated capital allowances. The provision represents the full potential liability for deferred tax.

## 10 Called up equity share capital

	31 March 2001
	£
<b>Authorised:</b>	
100 ordinary shares of £1 each	100
<b>Allotted and fully paid:</b>	
1 ordinary share of £1 each	1

During the period the company issued 1 ordinary share for £1 nominal value.

# The Paper Mill Shop Company Limited

## 11 Movements on reserves and reconciliation of movements in shareholder's funds

	Share capital	Profit and loss account	Shareholder's funds
	£	£	£
At 11 August 2000	-	-	-
Net proceeds of issue of ordinary share capital	1	-	1
Loss for the period	-	(67,963)	(67,963)
	1	(67,963)	(67,962)

## 12 Ultimate parent undertaking and related party disclosures

The ultimate parent undertaking and controlling party is James Cropper PLC, which is the parent of the smallest and largest group to consolidate these financial statements. Copies of James Cropper PLC financial statements can be obtained from the Company Secretary at Burneside Mills, Kendal, Cumbria.

Transactions with the ultimate parent undertaking and other group companies are not disclosed as the company has taken advantage of the exemption available under Financial Reporting Standard No 8 "Related Party Disclosures".

## 13 Parent company support

The directors of James Cropper PLC have confirmed its intentions to support the operations of the company for the foreseeable future.