



**BDO Stoy Hayward**  
Chartered Accountants

52082175

**Peckham & Rye Limited**

Report and Financial Statements

Year Ended

31 July 2000

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COMPANIES HOUSE 31/05/01

# **Peckham & Rye Limited**

## **Annual report and financial statements for the year ended 31 July 2000**

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### **Contents**

#### **Page:**

|   |                                                |
|---|------------------------------------------------|
| 1 | Report of the directors                        |
| 3 | Report of the auditors                         |
| 4 | Profit and loss account                        |
| 5 | Note of historical cost profits and losses     |
| 6 | Balance sheet                                  |
| 7 | Cash flow statement                            |
| 8 | Notes forming part of the financial statements |

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### **Directors**

A. Johnston  
S. McFarlane  
A.M. Livingstone

### **Secretary and registered office**

A. Johnston, 18 Bogmoor Place, Glasgow G51 4TQ

### **Company number**

82175

### **Auditors**

BDO Stoy Hayward, Ballantine House, 168 West George Street, Glasgow G2 2PT

### **Bankers**

The Royal Bank of Scotland plc, 1 Moncrieff Street, Paisley PA3 2AW

### **Solicitors**

Levy & McRae, 266 St. Vincent Street, Glasgow G2 5RL

## Peckham & Rye Limited

### Report of the directors for the year ended 31 July 2000

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The directors present their report together with the audited financial statements for the year ended 31 July 2000.

#### Results and dividends

The profit and loss account is set out on page 4 and shows the result for the year.

Non equity dividends of £4,982 were paid during the year and non equity dividends of £178 (1999 - £160) have been accrued.

#### Principal activities, trading review and future developments

The company's principal activities are the sale of wines, beers, spirits, food and soft drinks by wholesale and through retail outlets and the operation of restaurant and catering facilities.

The directors consider the company is well positioned to continue to grow by the gradual expansion of its food production and restaurant activities.

#### Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

|                  | £1 10% Cumulative<br>Preference shares |        | £1 Ordinary shares |       |
|------------------|----------------------------------------|--------|--------------------|-------|
|                  | 2000                                   | 1999   | 2000               | 1999  |
| A. Johnston      | -                                      | -      | 9,999              | 9,999 |
| S. McFarlane     | -                                      | -      | 1                  | 1     |
| A.M. Livingstone | 50,000                                 | 50,000 | -                  | -     |

#### 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;
- 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.

**Peckham & Rye Limited**

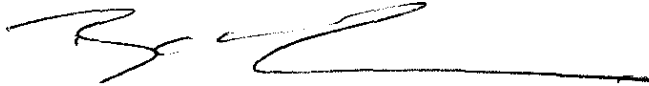
**Report of the directors for the year ended 31 July 2000 (*Continued*)**

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**Auditors**

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

**The financial statements were approved by the Board on 30 May 2001.**

A handwritten signature in black ink, appearing to be 'A. Johnston', written over a horizontal line.

**A. Johnston**  
Director

**Peckham & Rye Limited****Report of the auditors**

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**Auditors' report to Peckham & Rye Limited under section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements on pages 4 to 21 together with the financial statements of the company for the year ended 31 July 2000 prepared under section 226 of the Companies Act 1985.

*Respective responsibilities of directors and auditors*

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

*Basis of opinion*

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

*Opinion*

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985 and the abbreviated financial statements on pages 4 to 21 are properly prepared in accordance with that provision.



Chartered Accountants  
and Registered Auditors

30 May 2001

**Peckham & Rye Limited****Profit and loss account for the year ended 31 July 2000**

|                                                             | Note | 2000<br>£        | 1999<br>£ |
|-------------------------------------------------------------|------|------------------|-----------|
| <b>Gross profit</b>                                         |      | <b>2,195,862</b> | 1,957,906 |
| Administrative expenses                                     |      | <b>2,177,656</b> | 1,902,485 |
| Exceptional item:                                           |      |                  |           |
| <b>Operating profit</b>                                     | 4    | <b>18,206</b>    | 55,421    |
| Interest receivable                                         | 5    | -                | 249       |
| Interest payable and similar charges                        | 6    | <b>(31,978)</b>  | (26,669)  |
| <b>(Loss)/profit on ordinary activities before taxation</b> |      | <b>(13,772)</b>  | 29,001    |
| Taxation on (loss)/profit on ordinary activities            | 7    | <b>7,048</b>     | 2,198     |
| <b>(Loss)/profit on ordinary activities after taxation</b>  |      | <b>(20,820)</b>  | 26,803    |
| Dividends (including non-equity)                            | 8    | <b>5,000</b>     | 5,000     |
| <b>Retained (loss)/profit for the year</b>                  |      | <b>(25,820)</b>  | 21,803    |

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 8 to 21 form part of these financial statements.

**Peckham & Rye Limited**

**Note of historical cost profits and losses for the year ended 31 July 2000**

|                                                                                                                                           | <b>2000</b>     | <b>1999</b> |
|-------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------|
|                                                                                                                                           | <b>£</b>        | <b>£</b>    |
| Reported (loss)/profit on ordinary activities before taxation                                                                             | <b>(13,772)</b> | 29,001      |
| Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount | <b>(1,141)</b>  | -           |
|                                                                                                                                           | <hr/>           | <hr/>       |
| <b>Historical cost (loss)/profit on ordinary activities before taxation</b>                                                               | <b>(12,631)</b> | 29,001      |
|                                                                                                                                           | <hr/>           | <hr/>       |
| <b>Historical cost profit/(loss) for the year retained after taxation, interest and dividends</b>                                         | <b>(24,679)</b> | 21,803      |
|                                                                                                                                           | <hr/>           | <hr/>       |

The notes on pages 8 to 21 form part of these financial statements.

**Peckham & Rye Limited**

**Balance sheet at 31 July 2000**

|                                                                | Note | 2000             | 1999             |
|----------------------------------------------------------------|------|------------------|------------------|
|                                                                |      | £                | £                |
| <b>Fixed assets</b>                                            |      |                  |                  |
| Tangible assets                                                | 9    | 1,057,426        | 963,853          |
| Investments                                                    | 10   | 15,000           | 15,000           |
|                                                                |      | <u>1,072,426</u> | <u>978,853</u>   |
| <b>Current assets</b>                                          |      |                  |                  |
| Stocks                                                         | 11   | 458,548          | 458,974          |
| Debtors                                                        | 12   | 545,664          | 533,432          |
| Cash at bank and in hand                                       |      | 6,709            | 6,489            |
|                                                                |      | <u>1,010,921</u> | <u>998,895</u>   |
| <b>Creditors: amounts falling due within one year</b>          | 13   | <u>1,582,818</u> | <u>1,412,544</u> |
| <b>Net current liabilities</b>                                 |      | (571,897)        | (413,649)        |
| <b>Total assets less current liabilities</b>                   |      | <u>500,529</u>   | <u>565,204</u>   |
| <b>Creditors: amounts falling due after more than one year</b> | 14   | 136,290          | 182,193          |
| <b>Provisions for liabilities and charges</b>                  | 15   | 45,032           | 37,984           |
| <b>Net assets</b>                                              |      | <u>319,207</u>   | <u>345,027</u>   |
| <b>Capital and reserves</b>                                    |      |                  |                  |
| Called up share capital                                        | 16   | 60,000           | 60,000           |
| Revaluation reserve                                            | 17   | 58,405           | 59,546           |
| Profit and loss account                                        | 17   | 200,802          | 225,481          |
| <b>Shareholders' funds</b>                                     | 18   | <u>319,207</u>   | <u>345,027</u>   |

Included within shareholders' funds is an amount of £50,000 (1999 - £50,000) in respect of non-equity interests.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies.

The financial statements were approved by the Board on 30 May 2001.

**A. Johnston**  
Director



The notes on pages 8 to 21 form part of these financial statements.

**Peckham & Rye Limited**

**Cash flow statement for the year ended 31 July 2000**

|                                                                           | Note | 2000             | 1999             |
|---------------------------------------------------------------------------|------|------------------|------------------|
|                                                                           |      | £                | £                |
| <b>Net cash inflow/(outflow) from operating activities</b>                | 20   | 267,372          | (108,757)        |
| <b>Returns on investments and servicing of finance</b>                    |      |                  |                  |
| Interest received                                                         |      | -                | 249              |
| Interest paid                                                             |      | (22,379)         | (17,873)         |
| Interest element of hire purchase payments                                |      | (11,114)         | (7,511)          |
| Dividends paid on non-equity shares                                       |      | (4,982)          | (4,982)          |
|                                                                           |      | <u>(38,475)</u>  | <u>(30,117)</u>  |
| <b>Taxation</b>                                                           |      |                  |                  |
| Corporation tax recovered                                                 |      | -                | 12,692           |
|                                                                           |      | <u>-</u>         | <u>12,692</u>    |
| <b>Capital expenditure</b>                                                |      |                  |                  |
| Payments to acquire tangible fixed assets                                 |      | (103,187)        | (112,841)        |
| Receipts from sales of tangible fixed assets                              |      | 5,000            | 26               |
|                                                                           |      | <u>(98,187)</u>  | <u>(112,815)</u> |
| <b>Cash inflow/(outflow) before use of liquid resources and financing</b> |      | 130,710          | (238,997)        |
| <b>Financing</b>                                                          |      |                  |                  |
| New loans                                                                 |      | -                | 50,000           |
| Loans repaid                                                              |      | (52,559)         | (41,355)         |
| Capital element of hire purchase payments                                 |      | (68,956)         | (69,757)         |
|                                                                           |      | <u>(121,515)</u> | <u>(61,112)</u>  |
| <b>Increase/(decrease) in cash</b>                                        |      | <u>9,195</u>     | <u>(300,109)</u> |

The notes on pages 8 to 21 form part of these financial statements.

## **1 Accounting policies**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of land and buildings and fixed asset investments. The following principal accounting policies have been applied:

### *Depreciation*

No depreciation is provided on land and buildings. It is the company's practice to maintain these assets in a continual state of sound repair and to make improvements from time to time and accordingly the directors consider that the lives are so long and residual values, based on prices prevailing at the time of acquisition or subsequent valuation, are so high that their depreciation is insignificant. Any permanent diminution in the value of such properties is charged to the profit and loss account as appropriate.

Depreciation is provided to write off the cost, less estimated residual values, of all other tangible fixed assets over their expected useful lives. It is calculated at the following rates:

|                        |   |                                            |
|------------------------|---|--------------------------------------------|
| Freehold property      | - | 2% straight line                           |
| Tenants' improvements  | - | 4% straight line (or over length of lease) |
| Fittings and equipment | - | 10% straight line                          |
| Motor vehicles         | - | 25% reducing balance                       |
| Computer equipment     | - | 20% straight line                          |

### *Operating leases*

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price.

### *Deferred taxation*

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

**1 Accounting policies (continued)**

*Leased assets*

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

*Grants*

Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

**2 Employees**

Staff costs (including directors) consist of:

|                       | <b>2000</b>      | <b>1999</b>      |
|-----------------------|------------------|------------------|
|                       | <b>£</b>         | <b>£</b>         |
| Wages and salaries    | 1,146,433        | 1,004,986        |
| Social security costs | 72,885           | 69,056           |
|                       | <u>1,219,318</u> | <u>1,074,042</u> |

The average monthly number of employees (including directors) during the year was as follows:

|                                       | <b>2000</b>   | <b>1999</b>   |
|---------------------------------------|---------------|---------------|
|                                       | <b>Number</b> | <b>Number</b> |
| Administration and distribution       | 31            | 35            |
| Shop and sales assistants - full time | 91            | 52            |
| Shop and sales assistants - part time | 15            | 58            |
|                                       | <u>137</u>    | <u>145</u>    |

**Peckham & Rye Limited****Notes forming part of the financial statements for the year ended 31 July 2000 (Continued)****3 Directors**

|                                   | 2000<br>£ | 1999<br>£ |
|-----------------------------------|-----------|-----------|
| Directors' emoluments consist of: |           |           |
| Emoluments                        | 70,131    | 66,685    |

**4 Operating profit**

This is arrived at after charging:

|                                       | 2000<br>£ | 1999<br>£ |
|---------------------------------------|-----------|-----------|
| Depreciation of tangible fixed assets |           |           |
| - owned by the company                | 69,397    | 50,998    |
| - held under hire purchase contracts  | 16,507    | 13,291    |
| Auditors' remuneration                | 7,000     | 6,800     |
| Operating lease rentals               |           |           |
| - land and buildings                  | 228,500   | 205,982   |
| - plant and machinery                 | 3,652     | 2,000     |
| Loss on sale of fixed assets          | 1,629     | 241       |

**5 Interest receivable**

|                           | 2000<br>£ | 1999<br>£ |
|---------------------------|-----------|-----------|
| Other interest receivable | -         | 249       |

**6 Interest payable and similar charges**

|                              | 2000<br>£ | 1999<br>£ |
|------------------------------|-----------|-----------|
| On bank loans and overdrafts | 20,864    | 19,097    |
| On hire purchase contracts   | 11,114    | 7,511     |
| Other                        | -         | 61        |
|                              | 31,978    | 26,669    |

**Peckham & Rye Limited**Notes forming part of the financial statements for the year ended 31 July 2000 (*Continued*)**7 Taxation**

|                               | 2000<br>£    | 1999<br>£    |
|-------------------------------|--------------|--------------|
| <i>Current Year</i>           |              |              |
| Transfer to deferred taxation | 7,048        | 4,084        |
| <i>Prior years</i>            |              |              |
| UK corporation tax            | -            | (1,886)      |
|                               | <u>7,048</u> | <u>2,198</u> |

**8 Dividends**

|                                  | 2000<br>£    | 1999<br>£    |
|----------------------------------|--------------|--------------|
| <i>Non equity shares</i>         |              |              |
| 10% Cumulative Preference shares |              |              |
| Accrued at 31 July 1999          | (160)        | (142)        |
| Paid                             | 4,982        | 4,982        |
| Accrued at 31 July 2000          | 178          | 160          |
|                                  | <u>5,000</u> | <u>5,000</u> |

Peckham & Rye Limited

Notes forming part of the financial statements for the year ended 31 July 2000 (Continued)

9 Tangible assets

|                                | Land and<br>buildings<br>£ | Tenants'<br>improvements<br>£ | Fittings<br>and<br>equipment<br>£ | Motor<br>vehicles<br>£ | Computer<br>equipment<br>£ | Total<br>£       |
|--------------------------------|----------------------------|-------------------------------|-----------------------------------|------------------------|----------------------------|------------------|
| <i>Cost or valuation</i>       |                            |                               |                                   |                        |                            |                  |
| At 1 August 1999               | 364,550                    | 301,028                       | 557,532                           | 153,206                | 31,531                     | 1,407,847        |
| Additions                      | -                          | 63,924                        | 90,232                            | 28,450                 | 3,500                      | 186,106          |
| Disposals                      | -                          | -                             | (10,606)                          | -                      | -                          | (10,606)         |
| At 31 July 2000                | <u>364,550</u>             | <u>364,952</u>                | <u>637,158</u>                    | <u>181,656</u>         | <u>35,031</u>              | <u>1,583,347</u> |
| <i>Depreciation</i>            |                            |                               |                                   |                        |                            |                  |
| At 1 August 1999               | -                          | 36,285                        | 273,499                           | 118,939                | 15,271                     | 443,994          |
| Provided for the year          | 7,291                      | 13,249                        | 44,943                            | 13,765                 | 6,656                      | 85,904           |
| Disposals                      | -                          | -                             | (3,977)                           | -                      | -                          | (3,977)          |
| At 31 July 2000                | <u>7,291</u>               | <u>49,534</u>                 | <u>314,465</u>                    | <u>132,704</u>         | <u>21,927</u>              | <u>525,921</u>   |
| <i>Net Book Value</i>          |                            |                               |                                   |                        |                            |                  |
| At 31 July 2000                |                            |                               |                                   |                        |                            |                  |
| At cost less                   | 198,499                    | 315,418                       | 322,693                           | 48,952                 | 13,104                     | 898,666          |
| depreciation                   | 158,760                    | -                             | -                                 | -                      | -                          | 158,760          |
| At valuation less depreciation |                            |                               |                                   |                        |                            |                  |
| At 31 July 2000                | <u>357,259</u>             | <u>315,418</u>                | <u>322,693</u>                    | <u>48,952</u>          | <u>13,104</u>              | <u>1,057,426</u> |
| At 31 July 1999                | <u>364,550</u>             | <u>264,743</u>                | <u>284,033</u>                    | <u>34,267</u>          | <u>16,260</u>              | <u>963,853</u>   |

**Peckham & Rye Limited****Notes forming part of the financial statements for the year ended 31 July 2000 (Continued)**

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Included above are assets held under hire purchase contracts with net book values as follows:

|                                  | 2000<br>£      | 1999<br>£      |
|----------------------------------|----------------|----------------|
| Fixtures, fittings and equipment | 129,676        | 132,602        |
| Motor vehicles                   | 18,565         | -              |
| Computer equipment               | -              | 5,051          |
|                                  | <u>148,241</u> | <u>137,653</u> |

On the historical cost basis, land and buildings would have been included as follows:

|                         | 2000<br>£      | 1999<br>£      |
|-------------------------|----------------|----------------|
| Cost                    | 307,504        | 307,504        |
| Cumulative depreciation | 6,150          | -              |
|                         | <u>301,354</u> | <u>307,504</u> |

**Peckham & Rye Limited****Notes forming part of the financial statements for the year ended 31 July 2000 (Continued)****10 Fixed asset investments**

| <i>Cost or valuation</i>                 | <b>Other<br/>investments<br/>£</b> |
|------------------------------------------|------------------------------------|
| <b>At 1 August 1999 and 31 July 2000</b> | <b>15,000</b>                      |

The company owns 50% of the Ordinary share capital of Peckhams Gift Company Limited. The aggregate capital and reserves at 31 July 2000 amounted to a deficiency of £8,468 (1999 - £8,381). The loss for the year ended 31 July 2000 amounted to £87 (1999 - profit £113). Included in other investments is a loan to Peckham Gift Company Limited of £9,950.

**11 Stocks**

|                                     | <b>2000<br/>£</b> | <b>1999<br/>£</b> |
|-------------------------------------|-------------------|-------------------|
| Finished goods and goods for resale | <b>458,548</b>    | <b>458,974</b>    |

**12 Debtors**

|                                | <b>2000<br/>£</b> | <b>1999<br/>£</b> |
|--------------------------------|-------------------|-------------------|
| Trade debtors                  | <b>360,690</b>    | <b>385,680</b>    |
| Directors' loan accounts       | <b>14,734</b>     | <b>13,919</b>     |
| ACT recoverable                | <b>4,618</b>      | <b>4,414</b>      |
| Other debtors                  | <b>43,303</b>     | <b>9,600</b>      |
| Prepayments and accrued income | <b>122,319</b>    | <b>119,819</b>    |
|                                | <b>545,664</b>    | <b>533,432</b>    |

All amounts shown under debtors fall due for payment within one year.

Included in debtors due within one year is a loan of £14,734 (1999 - £13,919) to A. Johnston, a director. The maximum amount outstanding during the year was £14,734.

**Peckham & Rye Limited**

**Notes forming part of the financial statements for the year ended 31 July 2000 (Continued)**

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**13 Creditors: amounts falling due within one year**

|                                               | 2000<br>£             | 1999<br>£             |
|-----------------------------------------------|-----------------------|-----------------------|
| Bank loan and overdraft                       | 398,440               | 404,144               |
| Trade creditors                               | 974,635               | 808,664               |
| Taxation and social security                  | 48,279                | 32,415                |
| Accrued dividend                              | 178                   | 160                   |
| ACT payable                                   | 3,684                 | 3,480                 |
| Net obligations under hire purchase contracts | 53,114                | 49,079                |
| Accruals and deferred income                  | 104,488               | 114,602               |
|                                               | <hr/> 1,582,818 <hr/> | <hr/> 1,412,544 <hr/> |

The bank borrowings are secured by standard securities over the company's land and buildings and a floating charge over the assets of the company.

**Peckham & Rye Limited**

**Notes forming part of the financial statements for the year ended 31 July 2000 (Continued)**

**14 Creditors: amounts falling due after more than one year**

|                                                               | <b>2000</b>    | <b>1999</b> |
|---------------------------------------------------------------|----------------|-------------|
|                                                               | <b>£</b>       | <b>£</b>    |
| Loans                                                         | <b>95,130</b>  | 150,962     |
| Net obligations under hire purchase contracts                 | <b>41,160</b>  | 31,231      |
|                                                               | <hr/>          | <hr/>       |
|                                                               | <b>136,290</b> | 182,193     |
|                                                               | <hr/>          | <hr/>       |
| Included within the above are amounts falling due as follows: |                |             |
| In 1 - 2 years:                                               |                |             |
| Loan instalments                                              | <b>39,986</b>  | 56,841      |
| Hire purchase obligations                                     | <b>34,793</b>  | 26,186      |
| In 2 - 5 years:                                               |                |             |
| Loan instalments                                              | <b>55,144</b>  | 86,997      |
| Hire purchase obligations                                     | <b>6,367</b>   | 5,045       |
| In more than 5 years:                                         |                |             |
| Loan instalments                                              | -              | 7,124       |
|                                                               | <hr/>          | <hr/>       |
|                                                               | <b>136,290</b> | 182,193     |
|                                                               | <hr/>          | <hr/>       |

The hire purchase obligations are secured on the assets being purchased.

The bank loans are repayable by monthly instalments with the final loan having a repayment date of February 2005. Interest is payable between 2.75% and 3% over bank base rate.

**Peckham & Rye Limited**

**Notes forming part of the financial statements for the year ended 31 July 2000 (*Continued*)**

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**15 Provisions for liabilities and charges**

*Deferred Taxation*

The amount of deferred taxation provided is as follows:

|                                | 2000<br>£     | 1999<br>£     |
|--------------------------------|---------------|---------------|
| Accelerated capital allowances | 64,628        | 46,398        |
| Losses                         | (19,596)      | (8,414)       |
|                                | <u>45,032</u> | <u>37,984</u> |

There is no deferred taxation unprovided.

Deferred taxation movements:

|                                     |               |
|-------------------------------------|---------------|
|                                     | £             |
| Balance at 1 August 1999            | 37,984        |
| Transfer to profit and loss account | 7,048         |
|                                     | <u>45,032</u> |

|                                              |               |               |
|----------------------------------------------|---------------|---------------|
|                                              | 2000<br>£     | 1999<br>£     |
| Total provisions for liabilities and charges | <u>45,032</u> | <u>37,984</u> |

# Peckham & Rye Limited

Notes forming part of the financial statements for the year ended 31 July 2000 (*Continued*)

## 16 Called up share capital

|                                                | Authorised    |               | Allotted, called up<br>and fully paid |               |
|------------------------------------------------|---------------|---------------|---------------------------------------|---------------|
|                                                | 2000          | 1999          | 2000                                  | 1999          |
|                                                | £             | £             | £                                     | £             |
| Equity share capital                           |               |               |                                       |               |
| Ordinary shares of £1 each                     | 10,000        | 10,000        | 10,000                                | 10,000        |
| Non-equity share capital                       |               |               |                                       |               |
| 10% Cumulative Preference<br>shares of £1 each | 50,000        | 50,000        | 50,000                                | 50,000        |
|                                                | <u>60,000</u> | <u>60,000</u> | <u>60,000</u>                         | <u>60,000</u> |

The 10% Cumulative Preference shares carry no voting rights and are redeemable at par on notice at the option of the company. They rank in priority to the Ordinary shares for repayment in the event of the company being wound up.

## 17 Reserves

|                                     |                |
|-------------------------------------|----------------|
|                                     | £              |
| <i>Profit and loss account</i>      |                |
| At 1 August 1999                    | 225,481        |
| Retained loss for the year          | (25,820)       |
| Transfer from revaluation reserve   | 1,141          |
|                                     | <u>200,802</u> |
| At 31 July 2000                     |                |
|                                     | £              |
| <i>Revaluation reserve</i>          |                |
| At 1 August 1999                    | 59,546         |
| Transfer to profit and loss account | (1,141)        |
|                                     | <u>58,405</u>  |
| At 31 July 2000                     |                |

**Peckham & Rye Limited**

Notes forming part of the financial statements for the year ended 31 July 2000 *(Continued)*

**18 Reconciliation of movements in shareholders' funds**

|                             | 2000<br>£       | 1999<br>£      |
|-----------------------------|-----------------|----------------|
| (Loss)/profit for the year  | (20,820)        | 26,803         |
| Dividends                   | (5,000)         | (5,000)        |
|                             | <u>(25,820)</u> | <u>21,803</u>  |
| Opening shareholders' funds | 345,027         | 323,224        |
|                             | <u>319,207</u>  | <u>345,027</u> |
| Closing shareholders' funds |                 |                |

**19 Commitments under operating leases**

As at 31 July 2000 the company had annual commitments under non-cancellable operating leases as set out below:

|                                | 2000                       |                | 1999                       |                |
|--------------------------------|----------------------------|----------------|----------------------------|----------------|
|                                | Land and<br>buildings<br>£ | Equipment<br>£ | Land and<br>buildings<br>£ | Equipment<br>£ |
| Operating leases which expire: |                            |                |                            |                |
| Within one year                | -                          | -              | -                          | 702            |
| In two to five years           | -                          | 516            | -                          | 516            |
| After five years               | 212,100                    | -              | 228,500                    | -              |
|                                | <u>212,100</u>             | <u>516</u>     | <u>228,500</u>             | <u>1,218</u>   |

**20 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities**

|                                                     | 2000<br>£      | 1999<br>£        |
|-----------------------------------------------------|----------------|------------------|
| Operating profit                                    | 18,206         | 55,421           |
| Depreciation of tangible fixed assets               | 85,904         | 64,289           |
| Loss on sale of fixed assets                        | 1,629          | 241              |
| Decrease/(increase) in stocks                       | 426            | (136,571)        |
| Increase in debtors                                 | (12,028)       | (259,397)        |
| Increase in creditors                               | 173,235        | 167,260          |
|                                                     | <u>267,372</u> | <u>(108,757)</u> |
| Net cash inflow/(outflow) from operating activities |                |                  |

**Peckham & Rye Limited**

**Notes forming part of the financial statements for the year ended 31 July 2000 (Continued)**

**21 Reconciliation of net cashflow to movement in net debt**

|                                         | 2000    |           | 1999      |           |
|-----------------------------------------|---------|-----------|-----------|-----------|
|                                         | £       | £         | £         | £         |
| Increase/(decrease) in cash in the year | 9,195   |           | (300,109) |           |
| Cashflow from change in debt            | 121,517 |           | 61,112    |           |
|                                         |         |           |           |           |
| Hire purchase                           |         | 130,712   |           | (238,997) |
|                                         |         | (82,919)  |           | (75,735)  |
|                                         |         |           |           |           |
| Change in net funds/(debt)              |         | 47,793    |           | (314,732) |
| Opening net debt                        |         | (628,927) |           | (314,195) |
|                                         |         |           |           |           |
| Closing net debt                        |         | (581,134) |           | (628,927) |

**22 Analysis of changes in net debt**

|                          | At<br>01/08/99<br>£ | Cash<br>flows<br>£ | Other<br>changes<br>£ | At<br>31/07/00<br>£ |
|--------------------------|---------------------|--------------------|-----------------------|---------------------|
| Cash in hand, at bank    | 6,489               | 220                | -                     | 6,709               |
| Overdrafts               | (351,848)           | 8,975              | -                     | (342,873)           |
|                          |                     | 9,195              |                       |                     |
|                          |                     |                    |                       |                     |
| Debt due within one year | (52,296)            | (3,271)            | -                     | (55,567)            |
| Debt due after one year  | (150,962)           | 55,832             | -                     | (95,130)            |
| Hire purchase            | (80,310)            | 68,956             | (82,919)              | (94,274)            |
|                          |                     |                    |                       |                     |
| Total                    | (628,927)           | 130,712            | (82,919)              | (581,134)           |

**23 Related party transactions**

The company was under the control of A.J. Johnston, a director, throughout the year:

During the year, the company entered into the following transactions with:

- (i) Change at Jamaica, in which A.J. Johnston is sole proprietor:

Sale of goods of £103,914 (1999 - £31,349), purchases of goods of £208,056 (1999 - £143,865). At 31 July 2000, Change at Jamaica owed the company £111,354 (1999 - £124,604).

- (ii) T-Stone Properties Limited, in which A.J. Johnston is a director and shareholder:

Payment of property rents of £25,000 (1999 - £25,000), receipt of management charge of £3,000 (1999 - £15,000). At 31 July 2000, T-Stone Properties Limited owed the company £9,600 (1999 - £9,600).

- (iii) Peckhams Gift Company Limited, in which the company has a 50% interest.

Sale of goods of £22,407 and receipt of management charge of £2,500.

At 31 July 2000, Peckhams Gift Company owed the company £13,900.

**24 Post balance sheet events**

In April 2001, the company refinanced its bank loan and overdraft facilities with The Royal Bank of Scotland plc. The new bank loan facilities amounted to £225,000. Interest is payable at 2% over bank base rate with the final repayment date in April 2006. The bank facilities are secured by a standard security over the company's properties and by a bond and floating charge.