

Company number 2862551

# FIRST RETAIL FINANCE LIMITED

## ACCOUNTS

FOR THE PERIOD FROM 14 OCTOBER 1993 TO 31 JANUARY 1995



**REPORT OF THE DIRECTORS  
FOR THE PERIOD FROM 14 OCTOBER 1993 TO 31 JANUARY 1995**

The Directors hereby submit their Report and the accounts for the period from 14 October 1993 to 31 January 1995.

**Directors' accounting responsibilities**

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the period and of the profit or loss for the period. The Directors consider that in preparing these financial statements the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all Accounting Standards which they consider applicable have been followed.

The Directors have responsibility for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

**Change of name**

The company was incorporated on 14 October 1993 and changed its name from Shergal Limited to First Retail Finance Limited on 22 March 1994.

**Results**

£000

The accounts of the company show a loss for the financial period to be carried forward of

(93)

**Activities of the company**

The principal activity of the company, which commenced its activities on 21 November 1994, is the provision of finance and associated services. The company is developing and expanding its activities in a satisfactory manner.

**Directors**

As at 31 January 1995 the Directors, all of whom were appointed on 18 October 1994, were :-

R. Littler  
R.J. Mee  
J.E. Rowley

M.H.A. Astbury  
I.P. Campbell  
S. Fairbank

Messrs. A.J.J. Bochenski and J.A. Mercer were appointed as Directors on 14 October 1993. Mr. J.A. Mercer resigned as a Director on 13 October 1994 and Mr. A.J.J. Bochenski resigned as a Director on 18 October 1994.

None of the Directors had an interest in the share capital of the company during the financial period.

Continued.....

REPORT OF THE DIRECTORS (continued)

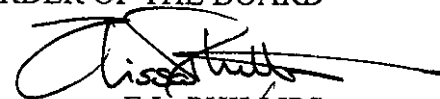
Directors (continued)

The Articles of Association do not provide for the retirement of Directors by rotation.

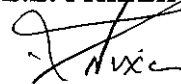
Auditors

Ernst & Young, Chartered Accountants, were appointed as auditors during the period. Ernst & Young have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

BY ORDER OF THE BOARD



E.L. PHILLIPS



R. NIXON

Joint Secretaries

NWS House  
City Road  
CHESTER

13 APRIL 1995

We have audited the attached accounts which have been prepared under the historical cost convention and on the basis of the stated accounting policies.

**Respective responsibilities of directors and auditors**

As described in the directors' report the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 January 1995 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young*

**ERNST & YOUNG**  
Chartered Accountants  
Registered Auditor  
**LIVERPOOL**

*15 May 1995*

**PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD FROM 14 OCTOBER 1993 TO 31 JANUARY 1995**

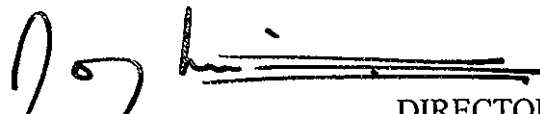
	<u>Notes</u>	<u>£000</u>
TURNOVER	2	107
Finance and trading costs		<u>179</u>
GROSS LOSS		(72)
Administration expenses		<u>66</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2,3	(138)
Tax on loss on ordinary activities	4	<u>(45)</u>
LOSS FOR THE FINANCIAL PERIOD CARRIED FORWARD		<u>(93)</u>

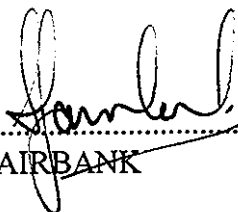
There are no recognised gains and losses other than those shown above.

BALANCE SHEET AS AT 31 JANUARY 1995

	<u>Notes</u>	<u>£000</u>
CURRENT ASSETS		
Debtors : receivable within one year		249
: receivable after one year		<u>592</u>
	5	841
CREDITORS: payable within one year	6	<u>(813)</u>
NET CURRENT ASSETS		<u>28</u>
CAPITAL AND RESERVES		
Called up share capital	8	121
Profit and loss account		(93)
EQUITY SHAREHOLDERS' FUNDS	9	<u>28</u>

Approved by the Board of Directors on 13 APRIL 1995 and signed on its behalf by

  
 ..... DIRECTOR  
 R. LITTLER

  
 ..... DIRECTOR  
 S. FAIRBANK

**CASH FLOW STATEMENT  
FOR THE PERIOD FROM 14 OCTOBER 1993 TO 31 JANUARY 1995**

	<u>£000</u>
Net cash outflow from operating activities	(877)
Returns on investments and servicing of finance	-
Taxation	-
Investing activities	-
Net cash outflow before financing	<u>(877)</u>
Financing	
Issue of ordinary share capital	(121)
Increase in amount owed to an associated undertaking	(738)
Decrease in cash and cash equivalents	(18)
	<u>(877)</u>

Notes on the cash flow statement are given on pages 8 and 9.

## NOTES ON THE ACCOUNTS

## 1. ACCOUNTING POLICIES

**Accounting convention**

The accounts have been prepared on a going concern basis under the historical cost convention and in accordance with applicable Accounting Standards and with S226 of, and schedule 4 to, the Companies Act 1985.

**Instalment credit earnings**

Earnings are credited to revenue, after making a deduction for certain initial expenses, in proportion to the related outstanding balances.

## 2. TURNOVER

Turnover, all of which arose from activities within the United Kingdom, represents finance charges earned on instalment credit agreements together with income from associated services.

The turnover and pre-tax loss are attributable to one continuing activity, the provision of finance and associated services.

3. LOSS ON ORDINARY ACTIVITIES  
BEFORE TAXATION

14 October 1993 to  
31 January 1995  
£000

Loss is stated after charging:

Bank interest	-
Interest payable to an associated undertaking	7
Directors' remuneration	-
Auditors' remuneration - audit	1
- other	-
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The company has no employees. It uses the services of an associated undertaking for which a management charge, included in administration expenses, is made.



## NOTES ON THE ACCOUNTS (continued)

## 4. TAX ON LOSS ON ORDINARY ACTIVITIES

14 October 1993 to  
31 January 1995  
£000

Taxation based on the loss for the period is made up as follows:

Consortium relief	(45)
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Taxation for the period is based on a corporation tax rate of 33%.

## 5. DEBTORS

31 January 1995

Receivable

	within one year £000	after one year £000	Total £000
Finance debtors	203	592	795
Consortium relief receivable	45	-	45
Other debtors	1	-	1
	<u>249</u>	<u>592</u>	<u>841</u>

## 6. CREDITORS: payable within one year

31 January 1995

	£000
Amount owed to an associated undertaking	738
Bank overdraft	18
Other creditors	57
	<u>813</u>

## 7. CASH FLOW STATEMENT

## (a) Reconciliation of operating loss for the period to net cash outflow from operating activities

14 October 1993 to  
31 January 1995

	£000
Operating loss	(138)
Net increase in creditors	57
Net increase in debtors	(796)
Net cash outflow from continuing operating activities	<u>(877)</u>

Continued.....

## NOTES ON THE ACCOUNTS (continued)

## 7. CASH FLOW STATEMENT (continued)

(b) Analysis of changes in cash and cash equivalents during the period	14 October 1993 to 31 January 1995
	<u>£000</u>
Opening balance	-
Net cash outflow	(18)
Closing balance	<u>(18)</u>
(c) Analysis of changes in financing during the period	Amount owed to an associated undertaking
	14 October 1993 to 31 January 1995
	<u>£000</u>
Opening balance	-
Net movement	738
Closing balance	<u>738</u>

## 8. SHARE CAPITAL

31 January 1995

Ordinary shares of £1 each

**Authorised**

'A' shares	5,000,000
'B' shares	5,000,000
	<u>10,000,000</u>

**Allotted, called up and fully paid**

'A' shares: held by NWS BANK plc	60,500
'B' shares: held by Club 24 Limited	60,500
	<u>121,000</u>

On incorporation the authorised share capital comprised 500 'A' Ordinary £1 shares and 500 'B' ordinary £1 shares of which 2 'A' Ordinary £1 shares were allotted, called up and fully paid.

To strengthen its capital base the company increased its authorised share capital during the period by the creation of 4,999,500 £1 'A' Ordinary shares and 4,999,500 £1 'B' Ordinary shares. On 18 October 1994, 498 'A' shares and 500 'B' shares were issued for cash at par to NWS BANK plc and Club 24 Limited respectively. On 30 January 1995 a further 60,000 'A' shares and 60,000 'B' shares were issued for cash at par to NWS BANK plc and Club 24 Limited respectively.

The 'A' and 'B' shares hold identical voting rights and rights to dividends and to the appointment of directors.

## NOTES ON THE ACCOUNTS (continued)

9. RECONCILIATION OF MOVEMENTS IN  
SHAREHOLDERS' FUNDS14 October 1993 to  
31 January 1995

Capital subscribed	<u>£000</u>
Loss for the financial period	121
Other recognised gains and losses	(93)
Shareholders' funds carried forward	<u>-</u>
	<u>28</u>