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**W. EADEN LILLEY & CO. LIMITED**

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**FINANCIAL ACCOUNTS FOR THE**  
**52 WEEKS ENDED 30TH JANUARY 1999**

**COMPANY NUMBER: 30736**



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**CROUCH CHAPMAN**  
**CHARTERED ACCOUNTANTS**

**W. EADEN LILLEY & CO. LIMITED**

**FINANCIAL ACCOUNTS**

**52 WEEKS ENDED 30TH JANUARY 1999**

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**W. EADEN LILLEY & CO. LIMITED**

**COMPANY INFORMATION**

**30TH JANUARY 1999**

Incorporated on 31st January 1890.

Company number: 30736

**CHAIRMAN** M.O. Marriott

**MANAGING DIRECTOR** W.E. Lilley

**OTHER DIRECTORS** G.M. Lilley  
P.E. Richards  
G.S. Minto

**SECRETARY** W.E. Lilley

**REGISTERED OFFICE** St. Martin's House  
63 West Stockwell Street  
Colchester  
Essex  
CO1 1HE

**AUDITORS** Crouch Chapman  
St. Martin's House  
63 West Stockwell Street  
Colchester  
Essex  
CO1 1HE

# W. EADEN LILLEY & CO. LIMITED

## CHAIRMAN'S STATEMENT

30TH JANUARY 1999

This was not an easy year for retailing in general for a variety of reasons. There were also a number of unusual factors which had a bearing on the final results compared with the previous year. One of these was associated with carrying out the necessary works in the Warehouse building to accommodate new tenants, involving considerable exceptional expenditure. Others included notably the absence of a substantial business rate rebate from which we had benefited in the January 1998 results and the inclusion in these accounts of a portion of the solicitors' fees associated with the sale of the Market Street property which had accrued up to 30th January 1999. Nevertheless, both the Saffron Walden and Great Shelford Stores in particular increased their contributions significantly.

There was a good deal of evidence to support the belief that the re-positioning of the Cambridge Store was beginning to bear fruit in the shape of positive feedback from customers, suppliers, local retail commentators and the media. The excessively conservative image had been well and truly shaken off and a revitalised clientele was being successfully cultivated. With plans in the city well advanced for the proposed development of the "Grand Arcade", retail prospects never looked more promising for a specialist upmarket, service oriented Department Store. But no useful purpose is to be served by reflecting on what might have been.

The shareholders will recall that in early September 1998, a formal offer was made by a Development Consortium to acquire the Cambridge Store. Acceptance of the offer having been endorsed, negotiations for the disposal of the freehold land and buildings commenced. The fact that contracts clinching the deal were not signed until the end of March 1999 gives some indication of the protracted nature of the transaction.

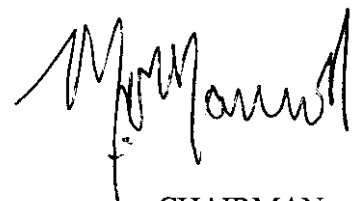
Fortunately, and to our considerable surprise, we were able to keep the negotiations sufficiently confidential to prevent them becoming public knowledge. In spite of this, a number of decisions affecting long-term policy were not taken or had to be postponed which may well have improved overall performance in the final quarter had the expectation of closure not been present.

The eventual closure of the Cambridge Store, which took place on 26th June 1999, was an immensely emotional occasion, which marked the end of an era. Inevitably, any comments that may have been made about trading in the year ended 30th January 1999 are overshadowed by these events.

A great many tributes have been paid both to and by members of staff, former colleagues, customers, suppliers and citizens of Cambridge and far beyond, all of which have been greatly appreciated.

These accounts record what, in effect, will be the final full year's trading of the Company in Cambridge in its present form, the origins of which go back 250 years.

10<sup>th</sup> September, 1999



CHAIRMAN

## **W. EADEN LILLEY & CO. LIMITED**

### **REPORT OF THE DIRECTORS**

**30TH JANUARY 1999**

The directors submit to the members the one hundred and tenth annual report and audited accounts for the 52 weeks ended 30th January 1999.

#### **Principal activity**

The principal activity of the business throughout the year continued to be the operation of department stores.

The directors have assessed the impact of the Year 2000 problem and do not expect the company's operations to be disrupted during or after the turn of the Millennium as a result of the systems not being Year 2000 compliant. All relevant systems have been reviewed for Year 2000 compliance and suppliers and service providers have been asked to confirm that their products and services are Year 2000 compliant. The directors are satisfied with the progress made towards Year 2000 compliance and do not anticipate any significant costs to arise in relation to the problem. They have budgeted within the company's five year plan for expenditure up to £50,000 in respect of Year 2000 compliance costs although actual costs are anticipated to be considerably less.

#### **Review of business**

The company made a profit for the period of £45,637.

#### **Future developments**

As recorded in the Chairman's statement at page 2 the company's principal trading store in Market Street, Cambridge closed on 26th June 1999 following sale of the freehold site in March 1999 to a Development Consortium. The company will continue to operate the Saffron Walden and Great Shelford stores and the photographic department in Green Street, Cambridge together with the warehouse at Mercers Row, Cambridge.

#### **Dividends**

The directors recommend a final dividend of £250,000 (1998 - £40,000) leaving a deficit of £204,363 to be transferred from reserves.

#### **Fixed assets**

Movements in tangible fixed assets are shown in note 11.

Included within tangible fixed assets shown in note 11 are freehold land and buildings (Market Street, Cambridge) at a valuation of £4,400,000 as valued in the year ended 29th January 1994. Subsequent to the year end this asset was sold for £9,275,000 gross proceeds.

**W. EADEN LILLEY & CO. LIMITED**

**REPORT OF THE DIRECTORS CONTINUED**

**30TH JANUARY 1999**

**Directors**

The directors who held office during the period and their interest in the share capital were as follows:-

	Ordinary shares	
	30.1.99	31.1.98
W.E. Lilley		
beneficial	2,420	2,420
non-beneficial	300	300
G.M. Lilley		
beneficial	1,285	1,285
non-beneficial	-	2,809
M.O. Marriott	-	-
P.E. Richards	-	-
G.S. Minto	-	-

D.B. Cain, a partner in Crouch Chapman, the auditors to the company, is a co-trustee for 2,000 ordinary shares. He is also a trustee with W.E. Lilley for 300 ordinary shares.

The following directors being eligible offer themselves for re-election at the forthcoming Annual General Meeting, W.E. Lilley, G.M. Lilley, M.O. Marriott, P.E. Richards and G.S. Minto.

**Political and charitable contributions**

There were no political contributions made in the period, and charitable contributions amounted to £1,608 (1998 £1,278).

**Auditors**

Crouch Chapman have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

10<sup>th</sup> September, 1999

  
COMPANY SECRETARY

St. Martin's House,  
63 West Stockwell Street,  
Colchester,  
Essex.  
CO1 1HE

**W. EADEN LILLEY & CO. LIMITED**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

We are required under company law 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 we are required to:

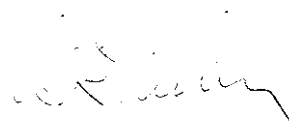
- select suitable accounting policies and then apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

10<sup>th</sup> September, 1999

ON BEHALF OF THE BOARD



**W. EADEN LILLEY & CO. LIMITED**

**AUDITORS' REPORT TO THE MEMBERS OF W. EADEN LILLEY & CO. LIMITED**

We have audited the financial statements on pages 7 to 23 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on page 10 and 11.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 5 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 January 1999 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Grant Chapman*

Chartered Accountants

Registered Auditors

St. Martin's House,  
63 West Stockwell Street,  
Colchester,  
Essex.  
CO1 1HE

*18th September 1999*



**W. EADEN LILLEY & CO. LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE 52 WEEKS ENDED 30TH JANUARY 1999**

	Note	1999 £	1998 £
TURNOVER	2	6,747,103	6,762,779
Cost of sales		4,264,618	4,467,647
		<hr/>	<hr/>
GROSS PROFIT		2,482,485	2,295,132
Administrative expenses		2,296,382	2,046,479
		<hr/>	<hr/>
OPERATING PROFIT	3	186,103	248,653
Other interest receivable and similar income	6	5,851	3,546
Finance costs	7	146,317	154,228
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		45,637	97,971
Tax on ordinary activities	8	-	10,000
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		45,637	87,971
Dividends	9	250,000	40,000
		<hr/>	<hr/>
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL PERIOD	19	(204,363)	47,971
		<hr/> <hr/>	<hr/> <hr/>

Movements in reserves are shown in notes 19 to 22.

There were no acquisitions or discontinued operations during the current and previous period.

There are no recognised gains or losses in 1999 or 1998 other than the (loss)/profit for the year.

W. EADEN LILLEY & CO. LIMITED

BALANCE SHEET

30TH JANUARY 1999

	Note	1999		1998	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	10	-		22,218	
Tangible assets	11	5,979,586		5,941,312	
Investments	12	11,927		11,927	
			5,991,513		5,975,457
<b>CURRENT ASSETS</b>					
Stocks	13	1,022,251		886,708	
Debtors	14	532,787		653,195	
Cash at bank and in hand		67,776		61,125	
		1,622,814		1,601,028	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>					
	15	1,893,830		1,585,315	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			(271,016)		15,713
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>					
	16		656,382		722,692
			5,064,115		5,268,478
<b>CAPITAL AND RESERVES</b>					
Share capital	18		100,000		100,000
Profit and loss account	19		3,213,817		3,418,180
Capital redemption reserve	20		6,620		6,620
Revaluation reserve	21		1,743,678		1,743,678
			5,064,115		5,268,478

Approved by the Board of Directors on

Director

Director

10<sup>th</sup> September, 1999

**W. EADEN LILLEY & CO. LIMITED**

**CASH FLOW STATEMENT**

**52 WEEKS ENDED 30TH JANUARY 1999**

	Note	£	1999 £	£	1998 £	£
Net cash inflow from operating activities	26			720,556		443,330
Returns on investment & servicing of finance						
Interest received			5,851		3,546	
Interest paid		(140,402)			(153,077)	
Interest element of finance lease rental payments		(5,915)			(1,151)	
				(140,466)		(150,682)
Taxation						
Advance corporation tax paid				(10,000)		(10,000)
Capital expenditure & financial investment						
Purchase of tangible fixed assets		(118,247)			(51,776)	
Sale of tangible fixed assets		4,100			12,325	
				(114,147)		(39,451)
				455,943		243,197
Equity dividend paid				(40,000)		(40,000)
				415,943		203,197
Financing						
Debt due within one year:						
Bank loan repayments		-			(500,000)	
Debt due beyond one year:						
Bank loan repayments		(100,000)			-	
Capital element of finance lease rental payments		(34,443)			(8,397)	
				(134,443)		(508,397)
Increase/(decrease) in cash				281,500		(305,200)

**W. EADEN LILLEY & CO. LIMITED**

**NOTES ON THE ACCOUNTS**

**FOR THE 52 WEEKS ENDED 30TH JANUARY 1999**

1. ACCOUNTING POLICIES

A) ACCOUNTING CONVENTION

The financial statements have been prepared in accordance with the historical cost convention, as modified by the inclusion of certain freehold properties at revalued amounts.

B) TURNOVER

Turnover consists of the retail value (excluding VAT) for goods and services supplied to third parties.

C) DEPRECIATION OF TANGIBLE ASSETS

Depreciation is provided in equal amounts each year in order to write off tangible fixed assets over their estimated useful lives. Estimated useful lives are:-

Leasehold properties	Period of lease
Plant and fittings	5 - 25 years

Freehold properties are maintained to a high standard. Any permanent diminution in the value of freehold land and buildings is charged to the profit and loss account as applicable. As a result the directors consider that the residual value of freehold property is at least equal to its net book value, and any depreciation required by the Companies Act 1985 and SSAP 12 would not be material.

Depreciation commences in the year following addition.

D) AMORTISATION

Amortisation is provided to write off the value of goodwill over 10 years.

E) STOCKS

Stocks are stated at the lower of cost and net realisable value. Cost is computed by deducting the gross profit margin from the selling value of stock.

F) DEFERRED TAXATION

Deferred taxation is only provided to give effect to timing differences to the extent that it is probable that a liability will crystallise. The directors consider that such a provision is not required as the crystallization of any liability is not envisaged in the foreseeable future.

**W. EADEN LILLEY & CO. LIMITED**

**NOTES ON THE ACCOUNTS CONTINUED**

**FOR THE 52 WEEKS ENDED 30TH JANUARY 1999**

1. ACCOUNTING POLICIES (CONTINUED)

G) LEASED ASSETS

Where assets are financed by a leasing agreement ("finance leases") the assets are included in the balance sheet at cost less depreciation in accordance with the company's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account over the period of the lease in proportion to the balance of capital payments outstanding. Rentals payable under operating leases are charged to the profit and loss account as incurred.

H) PENSION SCHEME

The company pension scheme prior to 6th April 1997 was a contracted out final salary scheme which was wound down in the year to 30th January 1999. Contributions were based on actuarial advice and charged against profits as incurred.

With effect from 6th April 1997, the company pension scheme is a contracted out money purchase scheme. Contributions are charged against profits as they become payable in accordance with the rules of the scheme. With effect from 6th April 1999 the scheme is contracted in.

**W. EADEN LILLEY & CO. LIMITED**

**NOTES ON THE ACCOUNTS CONTINUED**

**FOR THE 52 WEEKS ENDED 30TH JANUARY 1999**

	1999 £	1998 £
2. TURNOVER		
Total sales including valued added tax	11,955,229	11,834,720
Less: Sales of leased departments including valued added tax	5,346,027	5,153,679
Sales of our own merchandise & services	6,609,202	6,681,041
Less: Valued added tax	899,311	907,135
Sales of our own merchandise and services (excluding value added tax)	5,709,891	5,773,906
Rental from leased departments based on their sales	1,037,212	988,873
	<u>6,747,103</u>	<u>6,762,779</u>
3. OPERATING PROFIT		
This is stated after crediting:		
Profit on disposal of assets and after charging:	<u>2,841</u>	<u>406</u>
Depreciation of owned assets	153,474	160,976
Depreciation of assets held under hire purchase agreements	11,488	-
Amortisation of goodwill	22,218	22,218
Rental of leased equipment - plant & equipment	27,954	28,217
Auditors' remuneration (Including £13,386 in respect of non audit services (1998 £19,120))	<u>49,977</u>	<u>49,870</u>

**W. EADEN LILLEY & CO. LIMITED**

**NOTES ON THE ACCOUNTS CONTINUED**

**FOR THE 52 WEEKS ENDED 30TH JANUARY 1999**

	1999 £	1998 £
4. DIRECTORS' REMUNERATION		
Emoluments	123,422	118,556
Company contributions to money purchase pension scheme	7,905	6,200
	<u>131,327</u>	<u>124,756</u>

At 30th January 1999 there are two directors to whom retirement benefits are accruing under a money purchase pension scheme (1998 two directors).

	£	£
5. STAFF COSTS		
Staff costs during the period amounted to:		
Wages and salaries	1,510,676	1,546,881
Social security	74,836	77,412
Other pension and employment costs	31,726	32,195
	<u>1,617,238</u>	<u>1,656,488</u>

The average number of employees during the period was as follows:-

	No.	No.
Sales staff	145	152
Administration	37	37
	<u>182</u>	<u>189</u>

## **W. EADEN LILLEY & CO. LIMITED**

### **NOTES ON THE ACCOUNTS CONTINUED**

**FOR THE 52 WEEKS ENDED 30TH JANUARY 1999**

#### **PENSION SCHEME**

Prior to 6th April 1997 the company operated a contracted out final salary scheme providing benefits for members based on their salary at leaving or on retirement. Members of the scheme ceased to accrue final salary benefits from 6th April 1997 and past secure benefits were made paid up. As an alternative all existing plan members were invited to join a new contracted out Money Purchase Section with effect from 6th April 1997.

The assets of the schemes are held separately from those of the company and contributions to the schemes are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 1st April 1997. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments, the rates of increases in salaries and pensions and the future statutory revaluation rate of all deferred benefits. It was assumed that the investment returns would exceed salary increases by on average 2% per annum, that present and future pensions would increase at the rate of 3% per annum and a statutory revaluation rate of 5% per annum for non guarantee minimum pensions in deferment. The actuarial valuation showed that the market value of the scheme's assets at 1st April 1997 was £2,813,000 and that the actuarial value of those assets represented 107% of the benefits that had accrued to members after allowing for expected future increases in earnings.

In the opinion of the actuary at 1st April 1997 on an ongoing basis the scheme was fully funded with the assets being sufficient at the valuation date to cover its liabilities assuming the scheme was not wound up. The actuary also considered the position in the event of a notional discontinuance for which purpose the benefits valued were the members transfer values calculated on the minimum funding requirement transfer value basis. On this basis in the opinion of the actuary at 1st April 1997 had the scheme been discontinued, the assets would not have been sufficient to cover its liabilities. Active and deferred members benefits in excess of guaranteed minimum pension being 93% covered. Subsequent to the year end the company has made a payment of £100,000 into the scheme to make good the debt on the employer and thereby enabling future transfers to be paid out on an unreduced basis. This payment being on advice of the schemes actuary sufficient to extinguish the debt on the employer as at 1st March 1999.

The pension charge for the money purchase scheme for the year was £31,726 (1998 £21,665) in addition there were scheme advisors' charges amounting to £31,978 (1998 £23,656).



**W. EADEN LILLEY & CO. LIMITED**

**NOTES ON THE ACCOUNTS CONTINUED**

**FOR THE 52 WEEKS ENDED 30TH JANUARY 1999**

	1999 £	1998 £
6. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME		
Interest receivable	<u>5,851</u>	<u>3,546</u>
7. FINANCE COSTS		
Bank interest	140,402	153,077
Finance lease interest	5,915	1,151
	<u>146,317</u>	<u>154,228</u>
8. TAXATION		
ACT due on current dividend	<u>-</u>	<u>10,000</u>
9. DIVIDENDS		
Final dividend proposed	<u>250,000</u>	<u>40,000</u>

**W. EADEN LILLEY & CO. LIMITED**

**NOTES ON THE ACCOUNTS CONTINUED**

**FOR THE 52 WEEKS ENDED 30TH JANUARY 1999**

10. INTANGIBLE FIXED ASSETS	<b>Goodwill</b>
	<b>£</b>
Cost	
Balance 1.2.98 and 30.1.99	222,180
	<u>          </u>
Amortisation	
Balance 1.2.98	199,962
Charge for period	22,218
	<u>          </u>
Balance 30.1.99	222,180
	<u>          </u>
Net book value	
At 1.2.98	22,218
	<u>          </u>
At 30.1.99	NIL
	<u>          </u>

The goodwill was the excess of consideration over separate value of assets acquired on the purchase of "Douglas of Shelford" in August 1988.

**W. EADEN LILLEY & CO. LIMITED**

**NOTES ON THE ACCOUNTS CONTINUED**

**FOR THE 52 WEEKS ENDED 30TH JANUARY 1999**

11. TANGIBLE FIXED ASSETS	<b>Land and buildings £</b>	<b>Plant and fittings £</b>	<b>Total £</b>
<b>COST/VALUATION</b>			
Balance 1.2.98	5,603,495	1,252,130	6,855,625
Additions	-	204,494	204,494
Disposals	-	(9,508)	(9,508)
	<hr/>	<hr/>	<hr/>
Balance 30.1.99	5,603,495	1,447,116	7,050,611
	<hr/>	<hr/>	<hr/>
<b>DEPRECIATION</b>			
Balance 1.2.98	189,474	724,839	914,313
Charge for period	17,888	147,074	164,962
Eliminated on disposals	-	(8,250)	(8,250)
	<hr/>	<hr/>	<hr/>
Balance 30.1.99	207,362	863,663	1,071,025
	<hr/>	<hr/>	<hr/>
<b>NET BOOK VALUE</b>			
At 1.2.98	5,414,021	527,291	5,941,312
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 30.1.99	5,396,133	583,453	5,979,586
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Included in the total net book value of tangible fixed assets held at 30.1.99 was £132,201 (1.2.98 £57,441) in respect of assets held under finance leases.

The net book value of land and buildings at 30.1.99 comprised:-	£
Freehold (non-depreciable)	4,730,085
Long leasehold (depreciable)	512,554
Short leasehold (depreciable)	153,494
	<hr/>
	5,396,133
	<hr/> <hr/>

The freehold land and buildings were revalued in the year ended 29th January 1994 at £4,400,000. The excess of £1,743,678 over the original cost of £2,656,322 was credited to the revaluation reserve. Subsequent to the year end this asset was sold for £9,275,000 gross proceeds.

**W. EADEN LILLEY & CO. LIMITED**

**NOTES ON THE ACCOUNTS CONTINUED**

**FOR THE 52 WEEKS ENDED 30TH JANUARY 1999**

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
12. INVESTMENTS		
W. Eaden Lilley & Co. (Wholesale) Ltd.:-		
100% of issued shares at cost	100	100
Less: Amount due to subsidiary	(113)	(113)
	—	—
	(13)	(13)
 AIS Property Limited		
11,940 - £1 5% Secured Debenture		
Stock at cost	11,940	11,940
	—	—
	<u>11,927</u>	<u>11,927</u>

W. Eaden Lilley & Co. (Wholesale) Limited has not traded during the current or previous period.

13. STOCKS		
Goods for resale	957,112	805,559
Other stock	65,139	81,149
	—	—
	<u>1,022,251</u>	<u>886,708</u>

14. DEBTORS		
Due within one year:		
Trade debtors	349,089	375,458
Prepayments and accrued income	143,448	126,674
Other debtors and deferred expenses	40,250	151,063
	—	—
	<u>532,787</u>	<u>653,195</u>

**W. EADEN LILLEY & CO. LIMITED**

**NOTES ON THE ACCOUNTS CONTINUED**

**FOR THE 52 WEEKS ENDED 30TH JANUARY 1999**

	1999 £	1998 £
15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank overdraft and loan	732,564	1,007,413
Trade creditors	490,047	165,933
Advance corporation tax	-	10,000
Other taxation & social security	239,987	230,242
Dividend	250,000	40,000
Other creditors	76,401	53,727
Accruals & deferred income	66,532	57,816
Obligations under finance leases & hire purchase contracts - see note 16	38,299	20,184
	<u>1,893,830</u>	<u>1,585,315</u>

The bank overdraft and loans are secured by charges on certain of the freehold properties.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Bank loans	600,000	700,000
Obligations under finance leases & hire purchase contracts	56,382	22,692
	<u>656,382</u>	<u>722,692</u>

Maturity of debt included in notes 15 & 16 (see also note 25)

In one year or less, or on demand	732,564	1,007,413
Between one and two years	350,000	100,000
Between two and five years	150,000	450,000
In five years or more	100,000	150,000
	<u>1,332,564</u>	<u>1,707,413</u>

The bank loans are repayable by quarterly instalments at interest rates between 9.5% and 10%.

Obligations under finance leases & hire purchase contracts

These are repayable over varying periods by monthly instalments as follows:-

In the next year - see note 15	38,299	20,184
In the second to fifth years	56,382	22,692
	<u>94,681</u>	<u>42,876</u>

**W. EADEN LILLEY & CO. LIMITED**

**NOTES ON THE ACCOUNTS CONTINUED**

**FOR THE 52 WEEKS ENDED 30TH JANUARY 1999**

**17. PROVISION FOR LIABILITIES AND CHARGES**

Deferred taxation is only provided to give effect to timing differences to the extent that it is probable that a liability will crystallise. No provision for taxation has been made in relation to the freehold property revaluation (see note 11 Tangible Fixed Assets) appertaining to the property sale subsequent to the year end as in the opinion of the directors there will be no liability arising.

As recorded in note 5 on advice from the pension scheme actuary subsequent to the year end the company has made a payment of £100,000 into the scheme in order to achieve 100% funding for active and deferred members benefits in excess of guaranteed minimum pension at 1st March 1999. No provision for this payment is included in the accounts to 30th January 1999. The two company pension schemes are both to be wound down with a target date of April 2000, whilst further costs may be incurred in the wind down these cannot presently be quantified and accordingly no provision is made in the accounts to 30th January 1999.

	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
<b>18. SHARE CAPITAL</b>		
Ordinary shares of £10 each		
Authorised	200,000	200,000
	<u>          </u>	<u>          </u>
Issued and fully paid	100,000	100,000
	<u>          </u>	<u>          </u>
<b>19. PROFIT AND LOSS ACCOUNT</b>		
Balance brought forward 1.2.98	3,418,180	3,370,209
Retained (loss)/profit for period	(204,363)	47,971
	<u>          </u>	<u>          </u>
Balance carried forward 30.1.99	3,213,817	3,418,180
	<u>          </u>	<u>          </u>
<b>20. CAPITAL REDEMPTION RESERVE</b>		
Unsecured loan stock capital redemption reserve	6,620	6,620
	<u>          </u>	<u>          </u>
<b>21. REVALUATION RESERVE</b>		
Arising on revaluation	1,743,678	1,743,678
	<u>          </u>	<u>          </u>

## W. EADEN LILLEY & CO. LIMITED

### NOTES ON THE ACCOUNTS CONTINUED

#### FOR THE 52 WEEKS ENDED 30TH JANUARY 1999

	1999 £	1998 £
22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
Profit for the period	45,637	87,971
Dividends	(250,000)	(40,000)
	<hr/>	<hr/>
	(204,363)	47,971
Opening shareholder's funds	5,268,478	5,220,507
	<hr/>	<hr/>
Closing shareholder's funds	<u>5,064,115</u>	<u>5,268,478</u>
23. CAPITAL COMMITMENTS AND OPERATING LEASING OBLIGATIONS		
CAPITAL COMMITMENTS		
Contracted but not provided for	-	110,000
	<hr/>	<hr/>
Authorised by the directors but not provided for	-	65,000
	<hr/>	<hr/>

#### OPERATING LEASE OBLIGATIONS

Based on agreements in existence at the period end the company anticipates payments to be made in the coming year of £10,182 (£18,952 - 1998) and between two and five years of £10,367 (£21,150 - 1998).

#### 24. ASSOCIATED INDEPENDENT STORES LIMITED

The company is a member of Associated Independent Stores Limited which is limited by guarantee. The maximum sum this company could be called upon to pay is £5,000.

#### 25. POST BALANCE SHEET EVENTS

The bank loans (see notes 15 and 16) were repaid in February 1999 incurring a penalty of £42,534 for early redemption.

The company's principal trading store in Market Street Cambridge closed on 26th June 1999 following sale of the freehold site (see note 11) in March 1999 to a Development Consortium.

The contracted out money purchase pension scheme (see note 5) was changed to a contracted in status with effect from 6th April 1999.

**W. EADEN LILLEY & CO. LIMITED**

**NOTES TO THE CASH FLOW STATEMENT**

**FOR THE 52 WEEKS ENDED 30TH JANUARY 1999**

26. RECONCILIATION OF OPERATING PROFIT TO OPERATING CASH FLOWS

	1999 £	1998 £
Operating profit	186,103	248,653
Depreciation charges	164,962	160,976
Amortisation	22,218	22,218
Profit on sale of tangible fixed assets	(2,841)	(406)
Decrease/(increase) in stock	(135,543)	138,817
Decrease/(increase) in debtors	120,408	(22,524)
Increase/(decrease) in creditors	365,249	(104,404)
	<hr/>	<hr/>
Net cash inflow from operating activities	720,556	443,330
	<hr/> <hr/>	<hr/> <hr/>

27. ANALYSIS OF CHANGES IN NET DEBT

	At start of period £	Cash flows £	Other changes £	At end of period £
Cash in hand, at bank	61,125	6,651		67,776
Overdrafts	(907,413)	274,849		(632,564)
		<hr/>		
		281,500		
		<hr/>		
Debt due within one year	(100,000)	100,000	(100,000)	(100,000)
Debt due after one year	(700,000)		100,000	(600,000)
Finance leases	(42,876)	34,443	(86,248)	(94,681)
		<hr/>		
		134,443		
		<hr/>		
Total	(1,689,164)	415,943	(86,248)	(1,359,469)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



**W. EADEN LILLEY & CO. LIMITED**

**NOTES TO THE CASH FLOW STATEMENT CONTINUED**

**FOR THE 52 WEEKS ENDED 30TH JANUARY 1999**

	1999 £	1998 £
28. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT		
Increase/(decrease) in cash for the 52 weeks	281,500	(305,200)
Cash outflow from decrease in debt and lease financing	134,443	508,397
Change in net debt resulting from cash flows	415,943	203,197
New finance leases	(86,248)	(51,273)
Movement in net debt in the 52 weeks	329,695	151,924
Net debt at start of period	(1,689,164)	(1,841,088)
Net debt at 30th January 1999	<u>(1,359,469)</u>	<u>(1,689,164)</u>