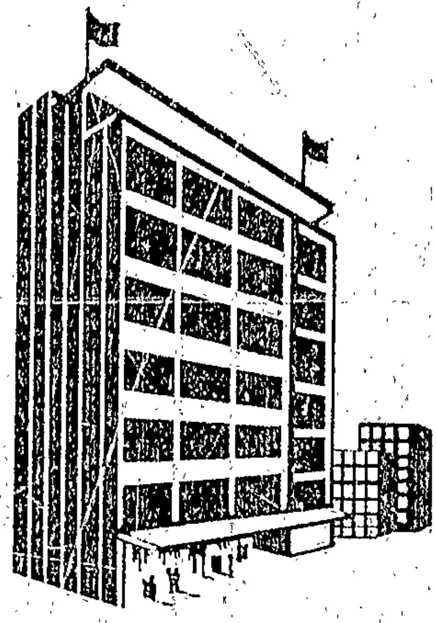
342025

233



S&U STORES PLC

Contents

Financial Calendar 1983/84

Annual General Meeting	5th September
Announcement of Results: Half Year to 31st July Year to 31st January	 October/November June/July
Payment of Dividends: Preference Shares	 30th September and 31st March

Notice of Meeting

Notice is hereby given that the Forty-Fifth annual general meeting of S. & U. Stores PLC will be held at the Birmingham Chamber of Commerce and Industry, 75 Harborne Road, Birmingham B15 3DH on Monday, 5th September 1983 at 3 p.m. for the following purposes:

1. To receive and adopt the Statement of Accounts for the year ended 31st January 1983 together with the reports of the Directors and Auditors.

2. To re-elect Directors.

3. To appoint Auditors.

4. To authorise the Directors to agree the remuneration of the Auditors.

5. To transact any other business of an Annual General Meeting.

By Order of the Board
J. Ambler
Secretary

51/53 Edgbaston Street
Birmingham B5 4QH

2nd August 1983

Notes

1. Any Member of the company entitled to attend and vote at this meeting may appoint another person or persons as a proxy to attend and, on a poll, to vote in his stead. The proxy need not be a member of the company.

2. In accordance with the company's articles of association holders of the 4.2% cumulative preference shares are not entitled to attend or vote in respect of these shares at this annual general meeting.

3. None of the Directors have a service contract, the duration of which is one year or more.

The register of the directors' interests required to be kept under the Companies Act 1967 will be available for inspection at the annual general meeting.

Principal Group Companies

and their activities

Consumer credit	S. & U. Stores PLC S. D. Taylor Limited Wilson Tupholme Limited Stanlor Finance and Loans Limited Stanlor Finance and Loans (Hanley) Limited Stanlor Finance and Loans (Sheffield) Limited
Retail cash trading	Annette (Wolverhampton) Limited F. Goodwin & Son Limited Sartorial Shops Limited Tweedies (Sports Centres) Limited
Manufacturing	M. Appleton & Co. Limited A. E. Holt (Leicester) Limited

The whole of the issued share capital of the above subsidiary companies is beneficially owned by S. & U. Stores PLC.

Directors and Officers

Directors	D. M. Coombs, *Joint Chairman and Managing Director* C. K. Coombs, B.Com, *Joint Chairman* A. Dobson R. H. Cooke A. M. V. Coombs, B.A. (Oxon) G. D. C. Coombs, B.A. (Oxon) M.Sc. (Lon) R. E. J. Fisher, F.C.A.
Secretary	J. Ambler, B.Com.
Auditors	Coxen, Fine & Co. Chartered Accountants Hamilton House 57/59 Warwick Road Birmingham B11 4RB
Registrars	Fenchurch Registrars Limited St. Mary Axe House 56/60 St. Mary Axe London EC3A 7HY
Solicitors	Edge & Ellison, Hatwell Pritchett & Co. Rutland House 148 Edmund Street Birmingham B3 2JR
Registered Office	51/53 Edgbaston Street Birmingham B5 4QH Registered in England 342025

S. & U. Stores PLC

Chairman's Statement

Profit for the year to 31st January 1983 is £767,000 as compared with £670,000 for the previous year. Group turnover has increased to £27.799m (last year £25.434m).

Balance Sheet

The consolidated balance sheet shows net assets of £5.781m as compared with £5.139m in the previous year. There is however a slight decrease in net current assets from £1.818m in 1982 to £1.541m in 1983. It will be seen that bank borrowings have marginally decreased and that the gearing ratio has shown a further improvement. The directors' unsecured loans were £369,000 at the year end. There has been no further reduction since that date.

Appropriations

The policy of improving the asset base of the Group and further reducing borrowings remains a priority and accordingly it is not the directors' intention to recommend any restoration of a dividend on the preferred ordinary or ordinary shares. The dividend on the preference shares will, however, be paid in the normal way. A further communication will be sent to Shareholders on this subject.

Subsidiaries

Wilson Tupholme Limited, closely followed by S. D. Taylor Limited, have made significant contributions to Group results. The management and staff are to be congratulated.

Directors

It gives me particular pleasure to welcome the appointment of Messrs. A. M. V. Coombs, G. D. C. Coombs and R. E. J. Fisher as main board directors.

Customers

We have an excellent relationship with our customers which we value highly and to them we express our appreciation.

Trade

We would again thank all our many trade and professional friends for their continued support.

Staff

We consider ourselves fortunate in the quality and loyalty of our personnel. In our particular trade, strict procedures are necessary at all levels and these are carried out in a friendly and efficient atmosphere. Our thanks to all our staff throughout the Group.

Conclusion

Although there was a slow-down in the second half of this year compared with the previous year the results for the year as a whole are satisfactory and in accordance with the forecast at the half-year that we would exceed last year's figure.

Current trading conditions are fairly stable but it is difficult to be specific at this stage about the level of profitability for the current year, sufficient to say we are reasonably confident about the future.

Derek M. Coombs
Chairman

Directors' Report

The directors have pleasure in submitting their annual report together with the audited accounts for the year ended 31st January 1983.

Profits and dividends

The results for the year and the dividends paid are shown in the group profit and loss account on page 8.

Activities

The principal activity of the group is consumer credit and rentals with outlets throughout England and Wales. The group also operates retail cash trading units and manufactures men's clothing and hosiery in which it has some export activity (see note 5 to the accounts).

Directors

The directors who served during the year are as listed on page 4.
Mr. A. Dobson retires from the board by rotation and is not offering himself for re-election.
Messrs. A. M. V. Coombs, G. D. C. Coombs and R. E. J. Fisher were appointed directors on the 23rd of November 1982, and in accordance with the Articles of Association now retire, but being eligible offer themselves for re-election.

The directors' beneficial interests are as follows:—

	At 31st January 1983		At 31st January 1982 or date of appointment	
	Preferred Ordinary	Ordinary	Preferred Ordinary	Ordinary
D. M. Coombs	55,000	1,796,272	5,000	1,746,272
C. K. Coombs	14,225	1,859,072	12,025	1,859,072
A. M. V. Coombs	—	191,000	—	191,000
G. D. C. Coombs	—	211,000	—	211,000
R. E. J. Fisher	2,000	—	—	—

Since 31st January 1983 the only changes in directors' interests were that D. M. Coombs acquired beneficially 15,000 preferred ordinary shares and 114,500 ordinary shares.

No director held any 4.2% preference shares in the company during the year.

There were no contracts subsisting during or at the end of the financial year in which a director of the company was materially interested.

Employees

The average weekly number of employees during the year was 707 including 37 part time, and their aggregate remuneration for the year was £3,163,088.

Employment of disabled persons

The group continues its policy to give full and fair consideration to applications for employment by disabled persons, together with the policy of fulfilling its obligation towards employees who are disabled or become disabled during the period of their employment by Group companies.

Substantial share interests

The directors have been advised of the following substantial share interests:—

Ordinary Shares	Arandaville Investments Limited	2,000,000 shares (22.73%)
Cumulative participating preferred ordinary shares		
	Scottish Amicable Life Assurance Society	410,000 shares (11.39%)
	J. D. Abell	320,000 shares (8.89%)
	New Valley Co. Limited	210,000 shares (5.83%)

Other than the directors' interests already mentioned there are no other share interests in excess of 5% of any class of share capital.

Capital expenditure

The changes in the group's fixed assets are shown in the note on page 13.

Close company

Your directors are advised that the company is not a close company within the meaning of the Income and Corporation Taxes Act 1970.

Auditors

The auditors, Messrs. Coxen, Fine & Co., Chartered Accountants, have indicated their willingness to be re-appointed.

By Order of the Board

J. Ambler

Secretary

51/53 Edgbaston Street

Birmingham B5 4QH

23rd June 1983

Group Profit and Loss Account

for the year ended 31st January 1983

	Note	1983 £000	1982 £000
Turnover	5	**27,799**	25,434
Profit for the year before interest	2	**1,103**	1,044
Interest	3	**336**	374
Profit before taxation	5	**767**	670
Corporation tax	6	**258**	23
Profit after taxation		**509**	647
Net loss on sale of subsidiary and properties		**—**	96
		509	551
Dividend on cumulative preference shares		**8**	8
Balance transferred to reserves	13	**501**	543
Earnings per ordinary share	7	**4.04p**	5.15p

Balance Sheets

at 31st January 1983

		Group		S. & U. Stores PLC	
		1983	1982	**1983**	1982
Assets employed:	Note	**£000**	£000	**£000**	£000
Fixed assets					
Freehold properties	8	**2,500**	2,541	**1,348**	1,355
Fixtures, plant and vehicles	8	**1,077**	780	**520**	441
		3,577	3,321	**1,868**	1,796
Shares in subsidiaries at cost less amounts written off	9	—	—	**3,313**	3,894
		3,577	3,321	**5,181**	5,690
Assets on lease	1E	**663**	—	—	—
Current assets					
Stocks	10	**320**	315	**132**	94
Debtors: External		**5,891**	5,489	**3,208**	3,046
Debtors: Group		—	—	**939**	453
		6,211	5,804	**4,279**	3,593
Current liabilities					
Creditors		**1,707**	1,444	**1,024**	832
Hire purchase		**889**	294	**205**	204
Overdrafts	11	**2,057**	2,234	**1,914**	1,562
Corporation tax		**17**	14	**17**	—
		4,670	3,986	**3,160**	2,598
Net current assets		**1,541**	1,818	**1,119**	995
		5,781	5,139	**6,300**	6,685
Financed by:					
Share capital	12	**1,750**	1,750	**1,750**	1,750
Reserves	13	**4,967**	4,466	**4,181**	4,466
		6,717	6,216	**5,931**	6,216
Deduct excess cost of shares in subsidiaries over net book value at dates of acquisition		**1,546**	1,546	—	—
		5,171	4,670	**5,931**	6,216
Unsecured loans from directors	14	**369**	469	**369**	469
Deferred taxation	15	**241**	—	—	—
		5,781	5,139	**6,300**	6,685

D. M. Coombs
C. K. Coombs } *Directors*

Approved by the directors 23rd June 1983

Source and Application of Group Funds

for the year ended 31st January 1983

	1983		1982	
	£000	£000	£000	£000
Source of funds				
Profit before taxation		767		670
Depreciation which is charged in arriving at the profit		363		264
Proceeds of disposals of fixed assets		139		60
		1,269		994
Application of funds				
Capital expenditure		1,421		442
Taxation paid		14		9
Dividends paid		8		8
Decrease in loans from directors		100		116
(Decrease)/Increase in working capital:				
Stocks	5		(120)	
Debtors	402		489	
Creditors	(858)		296	
		(451)		665
		1,092		1,240
Net inflow/(outflow) of cash during year		177		(246)
Reconcilable as follows:				
Opening overdrafts		2,234		1,988
Closing overdrafts		2,057		2,234
		177		(246)

Notes on the Accounts

1. Accounting policies

The accounting policies set out below have been applied by the group in the preparation of its accounts for the year to 31st January 1983 and are consistent with previous years.

A Consolidation
The group profit and loss account and balance sheet include the accounts of the parent company and its subsidiaries made up to the end of the financial year.

B Stocks
Stocks which include goods held on approval by agents have been stated at the lower of cost and estimated realisable value. The cost of goods manufactured within the group comprises materials, labour and related overheads.

C Debtors
Bad debts are written off and a specific provision is made on all debts which are considered doubtful.

D Fixed assets
Depreciation has been provided to write off the valuation or cost over their estimated lives as follows:—

Freehold properties	1% per annum straight line
Fixtures and plant	10% to 20% per annum on reducing balance
Vehicles	25% per annum on reducing balance
Computers	20% per annum straight line

E Assets on lease
Assets on lease are stated at cost and are to be depreciated rateably in accordance with the income flow of the period of the primary lease.

F Deferred taxation
Provision for taxation deferred by accelerated capital allowances is made only to the extent that there is a reasonable probability that such taxation will become payable in the foreseeable future.

G Repairs and renewals
Expenditure on repairs and renewals is written off in the year in which it is incurred.

H Consumer credit
Interest and service charges are credited to profit and loss account when the short term consumer credit is made.

2. Profit for the year before interest

	1983 £000	1982 £000
The following have been charged in arriving at the profit for the year:		
Depreciation	363	264
Leasing and hire charges payable	115	137
Directors' emoluments for management services	74	57
Auditors' remuneration	26	23

Notes on the Accounts *(continued)*

3. Interest

Interest comprises interest on bank overdrafts of £336,000 (1982 £374,000).

4. Emoluments of directors

(excluding pension contributions)

	1983 £	1982 £
Joint chairmen (each)	24,166	20,000

Number of other directors receiving emoluments in the following ranges were:

	1983	1982
Up to £5,000	4	1
£15,001 to £20,000	1	1

5. Turnover and profits

Turnover represents goods sold to and amounts collectable from customers outside the group, less returns and V.A.T. (where applicable) and comprises:

	1983 £000	1982 £000
Consumer credit and rentals	26,801	24,195
Retail cash trading	156	165
Manufacturing	842	1,074
	27,799	25,434

	1983 £000	1982 £000
Profits before taxation:		
Consumer credit and rentals	791	824
Retail cash trading	(8)	(14)
Manufacturing	(16)	(140)
	767	670

6. Taxation

	1983 £000	1982 £000
Corporation tax payable at 52% based on the profit for the year	30	23
Advance corporation tax recoverable	(13)	—
	17	23
Provision for deferred taxation (note 15)	241	—
	258	23

The taxation charge for the year has been reduced by advance corporation tax recoverable of £116,000 and tax losses amounting at 52% to £16,000 brought forward from prior years.

7. Earnings per ordinary share

Earnings per share have been calculated on 12,400,896 ordinary and preferred ordinary shares in issue, and on the following profit:

	1983 £000	1982 £000
Profit after taxation	509	647
Less cumulative preference dividend	8	8
	501	639

8. Fixed assets

	Group 1983 £000	Group 1982 £000	S. & U. Stores PLC 1983 £000	S. & U. Stores PLC 1982 £000
Freehold properties				
Valuation and cost at 31st January 1982	2,625	2,658	1,394	1,379
Additions	2	55	—	47
Inter company	—	—	13	—
Disposals	(29)	(88)	(7)	(32)
	2,598	2,625	1,400	1,394
Depreciation at 31st January 1982	84	66	39	32
Provision for the year	25	25	13	13
Disposals	(11)	(7)	—	(6)
	98	84	52	39
Net book value at 31st January 1983	2,500	2,541	1,348	1,355

Freehold properties were professionally valued at 31st March 1973 at £2,398,907 for the group (£1,341,473 for S. & U. Stores PLC). Additions since are at cost.

	Group 1983 £000	Group 1982 £000	S. & U. Stores PLC 1983 £000	S. & U. Stores PLC 1982 £000
Fixtures, plant and vehicles				
Cost at 31st January 1982	1,633	1,611	865	877
Additions	756	387	289	241
Disposals	(262)	(365)	(125)	(253)
	2,127	1,633	1,029	865
Depreciation at 31st January 1982	853	904	424	508
Provision for the year	338	239	159	131
Disposals	(141)	(290)	(74)	(215)
	1,050	853	509	424
Net book value at 31st January 1983	1,077	780	520	441

Notes on the Accounts *(continued)*

9. Shares in subsidiaries

All the principal group companies are incorporated in England and their activities are as shown on page 3.

10. Stocks

	1983 £000	1982 £000
Raw materials	**25**	31
Work in progress	**56**	61
Finished stock	**239**	223
	320	315

The stock of S. & U. Stores PLC is all finished stock.

11. Overdrafts

The group's bankers have fixed charges on certain properties and floating charges on the company and subsidiary companies to secure moneys which are or may become due.

The company has given the group's bankers inter-company guarantees.

12. Share capital

	1983 Authorised £000	1983 Issued and Fully Paid £000	1982 Authorised £000	1982 Issued and Fully Paid £000
4.2% Cumulative preference shares of £1 each	**200**	**200**	200	200
17.5% Cumulative participating preferred ordinary shares of 12½p each	**700**	**450**	700	450
Ordinary shares of 12½p each	**1,100**	**1,100**	1,100	1,100
	2,000	**1,750**	2,000	1,750

The cumulative participating preferred ordinary shares carry one vote for every ten shares held, the ordinary shares each carry one vote. No dividends have been paid on the cumulative participating preferred ordinary shares since 1975 and dividends amounting to £598,642 have to be discharged before the company can pay a dividend on the ordinary shares.

13. Reserves

	S. & U. Stores Group £000	PLC £000
Reserves at 31st January 1982	4,466	4,466
Transfer from profit and loss account	501	296
Investment in subsidiary company written off	—	(581)
	4,967	4,181
Made up as follows:		
Share premium account	2,277	2,277
Revaluation surplus	1,510	921
Realised reserves	1,180	983
	4,967	4,181

14. Loans from directors

	1983 £000	1982 £000
Loans from directors are unsecured, interest free and have no fixed date for repayment	369	469

15. Deferred taxation

Provision has been made for the amount of the potential liability at 31st January 1983 in respect of accelerated capital allowances relating to assets on lease of £344,000 (1982 Nil) less advance corporation tax recoverable of £103,000.

No account has been taken of the liability to taxation which could arise if the properties were to be disposed of at the amounts at which they are stated in the balance sheet, as it is expected that the properties will be retained by the group and it is impracticable to quantify the potential liability.

16. Companies Act 1981

The company is not yet required to comply with the accounting and disclosure requirements contained in Part 1 of the Companies Act 1981. These requirements will be complied with for the first time in the accounts for the year ending 31st January 1984. These accounts have been prepared in compliance with section 149A and section 152A of, and schedule 8A to, the Companies Act 1948.

Group Current Cost Profit and Loss Account

for the year ended 31st January 1983

	Note	1983 £000	1983 £000	1982 £000	1982 £000
Turnover			27,799		25,434
Profit for the year before interest per historical accounts			1,103		1,044
Current cost operating adjustments	2		221		297
Current cost operating profit			882		747
Interest		336		374	
Gearing adjustment	3	40	296	48	326
Current cost profit before taxation			586		421
Corporation tax			258		23
Current cost profit after taxation			328		398
Net loss on sale of subsidiary and properties			—		96
			328		302
Dividend on cumulative preference shares			8		8
Current cost retained profit for the year			320		294
Current cost earnings per ordinary share			2.58p		3.14p

Group Current Cost Balance Sheet

at 31st January 1983

	Note	1983 £000	1983 £000	1982 £000	1982 £000
Assets employed:					
Fixed assets	4		3,923		3,751
Assets on lease			663		—
Net current assets					
Net current operating assets	5	2,448		2,128	
Other current liabilities		(906)		(307)	
			1,542		1,821
			6,128		5,572
Financed by:					
Share capital			1,750		1,750
Reserves					
Current cost reserve	6	777		682	
Other reserves		4,537		4,217	
			5,314		4,899
Goodwill			(1,546)		(1,546)
			5,518		5,103
Loans			369		469
Deferred taxation			241		—
			6,128		5,572

Notes on the Current Cost Accounts

1. Basis of the current cost accounts

These accounts have been prepared in accordance with Statement of Standard Accounting Practice No. 16, using the same accounting policies as for the historical cost accounts. Current costs have been computed by reference to official indices except in the case of properties where the market values have been assessed by the directors in consultation with professional advisers.

2. Current cost operating adjustments

	1983 £000	1982 £000
Depreciation adjustment	108	136
Cost of sales adjustment	16	(2)
Monetary working capital adjustment	97	163
Total	221	297

The cost of sales adjustment is the difference between the replacement cost of stock at the time of sale and the amount charged in the historical cost accounts and has been calculated on the averaging method.

The monetary working capital adjustment allows for the impact of price changes on the monetary working capital and has been calculated on the averaging method using an appropriate government index.

3. Gearing adjustment

The gearing adjustment reflects the extent to which current cost operating adjustments have been financed by external borrowings and not out of shareholders funds.

4. Fixed assets

	Gross Replacement Cost £000	Depreciation £000	1983 Net £000	1982 Net £000
Properties	2,819	93	2,726	2,795
Fixtures, plant and vehicles	2,879	1,682	1,197	956
Total	5,698	1,775	3,923	3,751

5. Net current operating assets

Net current operating assets comprise stock, debtors, trade creditors and overdrafts.

6. Current cost reserve

	£000
Balance at 31st January 1982	682
Surplus on revaluation:	
Fixed assets	24
Stocks	14
Monetary working capital adjustment	97
Gearing adjustment	(40)
Balance at 31st January 1983	777
Realised	430
Unrealised	347

Auditors' Report

To the members of S. & U. Stores PLC

We have audited the accounting records of S. & U. Stores PLC and its subsidiaries for the year ended 31st January 1983. The accounts and notes thereto on pages 8 to 15 which have been drawn up under the historical cost convention, modified by the re-valuation of certain assets have been properly prepared in accordance with the provisions of the Companies Acts 1948 to 1981.

In our opinion, the accounts give, under the historical cost convention, a true and fair view of the state of affairs of the company, and of the state of affairs, profit and source and application of funds of the group.

In our opinion the current cost accounts on pages 16 to 18 comply with the requirements of Statement of Standard Accounting Practice No. 16.

Coxen, Fine & Co.
Chartered Accountants

Hamilton House
57/59 Warwick Road
Birmingham B11 4RB

23rd June 1983

S. & U. Stores PLC and Subsidiaries

Five Year Financial Statement

Historical cost

	1979 £000	1980 £000	1981 £000	1982 £000	**1983 £000**
Profit before interest	1,363	1,424	1,071	1,044	**1,103**
Interest	479	561	502	374	**336**
Profit on trading	884	863	569	670	**767**
Exceptional items	(3,158)	303	74	—	**—**
Corporation tax	—	—	—	(23)	**(258)**
	(2,274)	1,166	643	647	**509**
Extraordinary items	(732)	(354)	(61)	(96)	**—**
	(3,006)	812	582	551	**509**
Funds					
Preference capital	200	200	200	200	**200**
Preferred ordinary capital	450	450	450	450	**450**
Ordinary capital	1,100	1,100	1,100	1,100	**1,100**
Reserves less goodwill	999	1,803	2,377	2,920	**3,421**
Shareholders' funds	2,749	3,553	4,127	4,670	**5,171**
Loan	44	39	—	—	**—**
Loans from directors	495	645	585	469	**369**
Deferred taxation	—	—	—	—	**241**
Total funds	3,288	4,237	4,712	5,139	**5,781**
Fixed assets	4,124	3,441	3,299	3,321	**3,577**
Assets on lease	—	—	—	—	**663**
Current assets	4,769	5,149	5,435	5,804	**6,211**
	8,893	8,590	8,734	9,125	**10,451**
Less current liabilities	5,605	4,353	4,022	3,986	**4,670**
Assets employed	3,288	4,237	4,712	5,139	**5,781**

Oyez Press Limited – Birmingham, London