

E Dent & Company (Horologists) Limited

Report and Accounts

31 December 1998

Registered Number: 53920



E Dent & Company (Horologists) Limited

DIRECTORS

B E Toye
D J Enshaw

SECRETARY

N A Haynes

REGISTERED OFFICE

Regalia House
19-21 Great Queen Street
London
WC2B 5BE

AUDITORS

Ernst & Young
One Colmore Row
Birmingham
B3 2DB

SOLICITORS

Ashurst Morris Crisp
Broadwalk House
5 Appold Street
London
EC2A 2HA

BANKERS

Barclays Bank PLC
Bedford Square Business Centre
PO Box 314
6 Bedford Square
London
WC1B 3TB

E Dent & Company (Horologists) Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 December 1998.

RESULTS AND DIVIDENDS

The profit for the year attributable to shareholders amounted to £7,115 (1997: £9,779) and is dealt with as shown in the profit and loss account.

The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The company's principal activity during the year was the manufacture, repair and sale of clocks and watches.

Turnover was £34,582 compared to £44,439 for 1997.

DIRECTORS

The directors during the period under review were those listed on page 1. D J Enshaw is the director retiring by rotation and, being eligible, offers himself for re-election.

DIRECTORS' INTERESTS

None of the directors had an interest in the share capital of the company except as a nominee of the parent undertaking.

B E Toye is also a director of the ultimate parent undertaking, Toye & Company plc, and his interests in the share capital of all other group undertakings are disclosed in the accounts of that company. The interests of D J Enshaw in the 25p ordinary shares of Toye & Company plc are as follows:

	<i>31 December 1998</i>	<i>31 December 1997</i>
D J Enshaw	6,850	6,850

YEAR 2000 COMPLIANCE

The business and systems of E Dent & Company (Horologists) Limited are covered by the Toye & Company plc programme to address the impact of Year 2000. Details of this programme are included in the accounts of Toye & Company plc. The incremental expenditure involved is not expected to be significant.

By order of the board

N A Haynes

Secretary

22 April 1999

E Dent & Company (Horologists) Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 accounts 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.

REPORT OF THE AUDITORS
to the members of E Dent & Company (Horologists) Limited

We have audited the accounts on pages 5 to 10, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 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 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young

Ernst & Young
Registered Auditor
Birmingham

22 April 1999

E Dent & Company (Horologists) Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 December 1998

	Notes	1998 £	1997 £
TURNOVER	2	34,582	44,439
Change in stocks of finished goods		-	-
		<u>34,582</u>	<u>44,439</u>
Raw materials and consumables		25,245	32,440
Staff costs	3	-	-
Other operating charges		2,222	2,220
		<u>27,467</u>	<u>34,660</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,115	9,779
Taxation		-	-
RETAINED PROFIT FOR THE YEAR	10	<u>7,115</u>	<u>9,779</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the retained profit for the year of £7,115 in the year ended 31 December 1998, and of £9,779 in the year ended 31 December 1997.

E Dent & Company (Horologists) Limited

BALANCE SHEET at 31 December 1998

	Notes	1998 £	1997 £
FIXED ASSETS			
Tangible assets	4	-	-
CURRENT ASSETS			
Stocks	5	208	208
Debtors	6	113,975	106,858
		114,183	107,066
CREDITORS: amounts falling due within one year	7	(277)	(275)
NET CURRENT ASSETS		113,906	106,791
CREDITORS: amounts falling due after more than one year	8	(76,799)	(76,799)
		37,107	29,992
CAPITAL AND RESERVES			
Called up share capital	9	10,935	10,935
Profit and loss account	10	26,172	19,057
		37,107	29,992
SHAREHOLDERS' FUNDS			
Equity		27,172	20,057
Non-equity		9,935	9,935
		37,107	29,992

B E Toye

D J Enshaw

22 April 1999

)
) Directors
)

E Dent & Company (Horologists) Limited

NOTES TO THE ACCOUNTS at 31 December 1998

1 ACCOUNTING POLICIES

Basis of accounting

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

Depreciation

Depreciation is provided so as to write off the cost of fixtures and fittings over their estimated useful lives by equal annual instalments at 10% per annum.

Stocks

Stock has been valued at the lower of cost and net realisable value and represents goods bought for re-sale.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

2 TURNOVER

Turnover, represents the invoiced amounts, excluding sales related taxes, of goods sold during the year.

The turnover is attributable to one activity, the manufacture, repair and sale of clocks and watches and arises entirely in the United Kingdom.

3 STAFF COSTS

Staff costs have been recharged from the parent company via a management charge.

The directors received no emoluments for their services as directors of the company.

E Dent & Company (Horologists) Limited

NOTES TO THE ACCOUNTS at 31 December 1998

4 TANGIBLE FIXED ASSETS

	<i>Fixtures & Fittings £</i>
Cost:	
At 31 December 1997 and 31 December 1998	967
Depreciation:	
At 31 December 1997 and 31 December 1998	967
Net book value at 31 December 1997 and 31 December 1998	-

5 STOCKS

	<i>1998 £</i>	<i>1997 £</i>
Goods for resale	208	208
The difference between the purchase price of stocks and their replacement cost is not material.		

6 DEBTORS

	<i>1998 £</i>	<i>1997 £</i>
Amounts owed by group undertakings	113,975	106,858

7 CREDITORS: amounts falling due within one year

	<i>1998 £</i>	<i>1997 £</i>
Accruals	277	275

E Dent & Company (Horologists) Limited

NOTES TO THE ACCOUNTS at 31 December 1998

8 CREDITORS: amounts falling due after more than one year

	1998 £	1997 £
Unsecured loan from the parent undertaking with no interest charge and no fixed date for repayment	76,799	76,799

9 CALLED UP SHARE CAPITAL

	1998 No.	Authorised 1997 No.	Allotted, called up and fully paid 1998 £	1997 £
<i>Equity interests:</i>				
Ordinary shares of £1 each	50,000	50,000	1,000	1,000
<i>Non-equity interests:</i>				
Preference shares of £5 each	2,000	2,000	9,935	9,935
	<u>52,000</u>	<u>52,000</u>	<u>10,935</u>	<u>10,935</u>

(a) Rights to dividends

The preference shares have the right to receive a fixed, cumulative preference dividend at the rate of 10% per annum on the amount paid up thereon in priority to the payment of any dividend on the ordinary shares. The rights to such dividends have been waived by the relevant shareholders.

(b) Priority on winding up

The preference shares have the right to receive the amount paid up on such shares in priority to any repayment to the holders of the ordinary shares.

(c) Voting rights

The preference shares do not have any right to attend or vote at any general meeting of the company.

10 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £	Profit and loss account £	Total £
At 1 January 1997	10,935	9,278	20,213
Profit for the year	-	9,779	9,779
At 31 December 1997	<u>10,935</u>	<u>19,057</u>	<u>29,992</u>
Profit for the year	-	7,115	7,115
At 31 December 1998	<u>10,935</u>	<u>26,172</u>	<u>37,107</u>

E Dent & Company (Horologists) Limited

NOTES TO THE ACCOUNTS at 31 December 1998

11 DEFERRED TAXATION

There is no potential deferred taxation liability at 31 December 1998 and 1997 and thus no provision is required.

12 CONTINGENT LIABILITIES

The company is party to cross guarantees in respect of bank overdrafts of its parent undertaking and certain fellow subsidiary undertakings amounting to £774,189 (1997: £1,190,572).

13 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 with respect to disclosure of related party transactions with group companies.

14 ULTIMATE PARENT UNDERTAKING

The parent undertaking of the group undertakings for which group accounts are drawn up and of which the company is a member is Toye & Company plc, registered in England & Wales. Copies of Toye & Company plc's accounts can be obtained from the registered office at Regalia House, 19-21 Great Queen Street, London WC2B 5BE.