

891582

REGISTRAR OF COMPANIES



HILDRETHS (CHINA & HARDWARE) LIMITED

FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1999

Registered No: 891587

CONTENTS

1. Report of the Director
2. Statement of Director's Responsibilities
3. Report of the Auditors
4. Profit and Loss Account
5. Balance Sheet
- 6-10. Notes to the Accounts

The following pages do not form part of the Statutory Accounts

11. Trading and Profit and Loss Account
12. Financial Summary and Key Ratios
13. Charts of Salient Figures
14. Charts of Key Profit Ratios

HILDRETHS (CHINA & HARDWARE) LIMITED
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 1999

The director presents his annual report with the accounts of the company for the year ended 31 March 1999.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the retail of china, hardware and garden accessories.

DIRECTORS

The director in office in the year and his beneficial interests in the company's issued ordinary share capital were as follows:

	Ordinary Shares of 50p each	
	<u>1999</u>	<u>1998</u>
R W G Hildreth	1,375	1,375

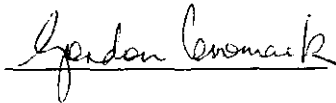
YEAR 2000 COMPLIANCE

The company has considered the potential impact and extent of the year 2000 problem on the business and its operations and has implemented a plan to ensure it is fully compliant.

SMALL COMPANY EXEMPTIONS

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the
board of directors



G Cromack
Secretary

Date: 5/7/99.

HILDRETHS (CHINA & HARDWARE) LIMITEDSTATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial 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 financial accounts the director is required to

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

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial accounts comply with the Companies Act 1985. He is 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.

We have audited the financial accounts on pages 4 to 10 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 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's director is responsible for the preparation of financial 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, except that the scope of our work was limited as explained below.

An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial accounts, and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned 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 accounts are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because the company did not carry out a full stocktaking at the year end of the stock which is included in the financial accounts at the director's estimate of cost of £325,103. We were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and cost of stock. Any adjustment to the figure for stock would have a consequential effect on the profit for the year. Our report on the financial accounts for the year ended 31 March 1998 was also qualified due to a full stocktaking not being carried out at that year end. Any adjustment to the amount of stock at 31 March 1998 could have a consequential effect on the profit for the year ended 31 March 1999 and the amounts shown as cost of sales and profit for the year ended 31 March 1998 may not be comparable with the figures for the current period. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial accounts.

QUALIFIED OPINION ARISING FROM LIMITATION IN AUDIT SCOPE

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning stock, in our opinion the financial accounts give a true and fair view of the state of the company's affairs as at 31 March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to stock:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records had been maintained.

Langdon West Williams Plc

6 July 1999

Langdon West Williams Plc
Registered Auditors
Chartered Accountants
14A High Street
Banstead
Surrey SM7 2LJ

HILDRETHS (CHINA & HARDWARE) LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1999

	<u>Notes</u>	<u>1999</u>	<u>1998</u>
		£	£
TURNOVER	2	750,502	712,588
Cost of Sales		555,455	516,682
<u>GROSS PROFIT</u>		195,047	195,906
<u>Net Operating Expenses</u>			
Administrative Expenses	154,808		150,804
Rents Receivable	(9,583)		(592)
		145,225	150,212
<u>OPERATING PROFIT</u>	3	49,822	45,694
<u>EXCEPTIONAL ITEMS</u>			
Sale of Tangible Fixed Assets	5	50,702	-
Income from Investments	6	100,524 192	45,694 2,263
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</u>		100,716	47,957
Interest Payable	7	15,220	15,282
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		85,496	32,675
Tax on Ordinary Activities	8	17,239	8,697
<u>RETAINED PROFIT FOR THE YEAR</u>		£ 68,257	£ 23,978
<u>STATEMENT OF RETAINED EARNINGS</u>			
Retained Profit Brought Forward		262,727	238,749
Retained Profit for the Year		68,257	23,978
<u>RETAINED PROFIT CARRIED FORWARD</u>		£ 330,984	£ 262,727

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 10 form part of these accounts.

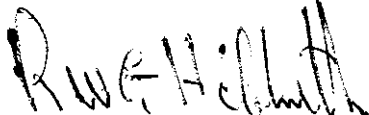
HILDRETHS (CHINA & HARDWARE) LIMITEDBALANCE SHEET
AS AT 31 MARCH 1999

	<u>Notes</u>	<u>1999</u>	<u>1998</u>
		£	£
FIXED ASSETS			
Tangible Assets	9	420,946	418,624
Investments	10	327	401
		<u>421,273</u>	<u>419,025</u>
CURRENT ASSETS			
Stock and Work in Progress	11	325,103	308,747
Debtors	12	23,021	21,087
Cash at Bank and in Hand		11,306	3,614
		<u>359,430</u>	<u>333,448</u>
CREDITORS : Amounts Falling Due within One Year	13	<u>(314,465)</u>	<u>(288,811)</u>
NET CURRENT ASSETS		<u>44,965</u>	<u>44,637</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>466,238</u>	<u>463,662</u>
CREDITORS : Amounts Falling Due After more than One Year	14	<u>50,137</u>	<u>115,818</u>
		<u>£ 416,101</u>	<u>£ 347,844</u>
CAPITAL AND RESERVES			
Share Capital	15	937	937
Revaluation Reserve	16	84,117	84,117
Capital Redemption Reserve		63	63
Profit and Loss Account	16	330,984	262,727
TOTAL SHAREHOLDERS' FUNDS	17	<u>£ 416,101</u>	<u>£ 347,844</u>

All the shareholders funds are attributable to equity interests.

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the
board of directors



R W G Hildreth
Director

Date approved by the board: 5/7/99

The notes on pages 6 to 10 form part of these accounts.

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1999

1. ACCOUNTING POLICIES**Basis of Accounting**

The accounts have been prepared under the historical cost convention as modified to incorporate the revaluation of certain fixed assets and in accordance with applicable accounting standards.

Turnover

Turnover represents the net invoiced sales of goods, excluding VAT.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Freehold Property	2% on cost or revalued amount
Motor Vehicles	25% on WDV
Machinery, Fixtures and Fittings	15% on WDV

No depreciation is provided on freehold land. In accordance with FRS 15 all freehold buildings are depreciated at 2% on cost.

Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred Taxation

No provision has been made for deferred taxation as the amounts involved are not material.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year were £5,000 (1998 - £5,000) and have been charged in the profit and loss account. There were no outstanding contributions at the balance sheet date (1998 - Nil).

Cash Flow Statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

2. TURNOVER

The turnover and profit (1998 - profit) before taxation for the year is attributable to the principal activity of the Company which is that of the retail of china, hardware and garden accessories.

In the opinion of the Directors, none of the company's turnover is attributable to geographical markets outside the UK. (1998 none).

3. OPERATING PROFIT

The Operating Profit (1998 - Profit) is stated after charging:

	<u>1999</u>	<u>1998</u>
	£	£
Depreciation of Tangible Fixed Assets	5,485	3,871
Sale of Tangible Fixed Assets	-	171
Auditors' Remuneration	1,100	1,100
	<u> </u>	<u> </u>

HILDRETHS (CHINA & HARDWARE) LIMITEDNOTES TO ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 19994. DIRECTORS' REMUNERATION

	<u>1999</u>	<u>1998</u>
	£	£
Directors' Emoluments	29,640	29,640
	<u> </u>	<u> </u>
	Number	Number
During the year the following number of Directors accrued Retirement Benefits under:		
Money Purchase Schemes	1	1
	<u> </u>	<u> </u>

5. EXCEPTIONAL ITEMS

	<u>1999</u>	<u>1998</u>
	£	£
Profit on Disposal of Freehold Property	50,702	-
	<u> </u>	<u> </u>

6. INCOME FROM INVESTMENTS

	<u>1999</u>	<u>1998</u>
	£	£
Insurance Proceeds & Commissions	-	2,219
Repayment Supplement	192	-
Dividends Received	-	44
	<u> </u>	<u> </u>
	192	2,263
	<u> </u>	<u> </u>

7. INTEREST PAYABLE

	<u>1999</u>	<u>1998</u>
	£	£
Other Interest Payable	15,220	15,282
	<u> </u>	<u> </u>

8. TAXATION

The tax charge on the profit on ordinary activities was as follows:

	<u>1999</u>	<u>1998</u>
	£	£
Corporation Tax	17,250	8,700
Prior Year Adjustment	(11)	(3)
	<u> </u>	<u> </u>
	17,239	8,697
	<u> </u>	<u> </u>

Corporation tax has been charged on the profit at 21% (1998 21%).

HILDRETHS (CHINA & HARDWARE) LIMITEDNOTES TO ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1999**9. TANGIBLE FIXED ASSETS**

	Motor Vehicles	Machinery, Fixtures & Fittings	Freehold Property	TOTAL
COST OR VALUATION	£	£	£	£
At 1 April 1998	1,500	64,271	408,113	473,884
Additions in the year	-	3,535	53,570	57,105
Disposals in the year	-	-	(51,360)	(51,360)
At 31 March 1999	1,500	67,806	410,323	479,629
DEPRECIATION				
At 1 April 1998	375	52,448	2,437	55,260
Write Off On Disposal	-	-	(2,062)	(2,062)
Charge for the year	281	2,304	2,900	5,485
At 31 March 1999	656	54,752	3,275	58,683
NET BOOK VALUE				
At 31 March 1999	844	13,054	407,048	420,946
At 31 March 1998	1,125	11,823	405,676	418,624

Freehold property is stated at:

Valuation

308,557

Cost

98,491

407,048

The Cost or Valuation of Freehold Buildings on which depreciation is charged, amounted to £131,943 (1998 - £5,673).

10. FIXED ASSETS INVESTMENTS

	<u>1999</u>	<u>1998</u>
	£	£
Unlisted Investments Other Than Loans	327	401

In the opinion of the director the market value of the unlisted investments is not materially different from their book value.

11. STOCKS

	<u>1999</u>	<u>1998</u>
	£	£
Stocks	325,103	308,747

HILDRETHS (CHINA & HARDWARE) LIMITEDNOTES TO ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1999**12. DEBTORS**

	<u>1999</u>	<u>1998</u>
	£	£
Amounts due within one year:		
Trade Debtors	14,013	16,669
Other Debtors	852	-
Prepayments	585	570
Taxation Recoverable	-	3,848
Value Added Tax	7,571	-
	<u>23,021</u>	<u>21,087</u>

**13. CREDITORS: Amounts falling
Due within One Year**

	<u>1999</u>	<u>1998</u>
	£	£
Bank Overdraft	66,491	83,118
Bank Loan	29,400	40,500
Trade Creditors	190,147	142,587
Taxation	17,250	8,665
Social Security and Other Taxes	2,892	4,038
Director's Loan Account - RWG Hildreth	1,619	1,169
Accruals	6,666	8,734
	<u>314,465</u>	<u>288,811</u>

The bank loans and overdraft are secured by way of legal mortgages over the company's freehold property and land known as Hildreths and The Limes, both of Wycombe Road, Prestwood, Buckinghamshire and, in 1998 only, the freehold property at 76 High Street, Great Missenden, Buckinghamshire.

**14. CREDITORS: Amounts Falling
Due After more than One Year**

	<u>1999</u>	<u>1998</u>
	£	£
Bank Loans (all repayable within 5 years)	<u>50,137</u>	<u>115,818</u>

The security disclosed in note 13 also applies to the bank loan due in more than one year.

HILDRETHS (CHINA & HARDWARE) LIMITEDNOTES TO ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1999**15. SHARE CAPITAL**

	<u>1999</u>	<u>1998</u>
	£	£
Authorised 2,000 shares of 50p each	1,000	1,000
	<hr/>	<hr/>
Allotted, Issued and Fully Paid	937	937
	<hr/>	<hr/>

The company is controlled by the director R W G Hildreth.

16. RESERVES

	<u>Revaluation Reserve</u>	<u>Profit & Loss A/c</u>
	£	£
At 1 April 1998	84,117	262,727
Retained Profit for the year	-	68,257
	<hr/>	<hr/>
At 31 March 1999	84,117	330,984
	<hr/>	<hr/>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1999</u>	<u>1998</u>
	£	£
PROFIT FOR THE FINANCIAL YEAR	68,257	23,978
	<hr/>	<hr/>
Net addition to shareholders' funds	68,257	23,978
Opening Shareholders' Funds	347,844	323,866
	<hr/>	<hr/>
Closing Shareholders' Funds	416,101	347,844
	<hr/>	<hr/>