

REGISTRAR OF COMPANIES

HILDRETHS (CHINA & HARDWARE) LIMITED

FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1995

Registered No: 891587

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HILDRETHS (CHINA & HARDWARE) LIMITED
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 1995

The directors present their annual report with the accounts of the company for the year ended 31 March 1995

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

A summary of the results for the year is given on page 4 of the accounts. The directors consider the state of affairs to be satisfactory.

DIVIDENDS

The directors do not recommend the payment of a dividend which leaves £ 7,839 to be deducted from retained earnings.

FIXED ASSETS

Acquisitions and disposals of fixed assets during the year are shown in note 8.

In the opinion of the directors, the open market value of the company's Freehold Land and Buildings is not materially in excess of that shown in the accounts in relation to its use in the company's trade.

DIRECTORS

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

	Ordinary Shares of £1 each	
	1995	1994
R W G Hildreth	1,375	1,375
R V Hildreth (removed 26.06.95)	375	375


FUTURE DEVELOPMENTS

The company will continue to operate in its existing market.

AUDITORS

The auditors, Langdon West Williams & Co, have offered themselves for re-appointment.

Signed on behalf of the
board of directors



G I Cromack
Secretary

26th June 1995

HILDRETHS (CHINA & HARDWARE) LIMITEDSTATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required under company law 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 those financial accounts the directors are required to:

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

The directors are responsible for keeping 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 financial accounts comply with 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

3.

to the Shareholders of HILDRETHS (CHINA & HARDWARE) LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention, modified to include the revaluation of freehold property, and the accounting policies set out in Note 1 of the Notes to the Accounts.

Respective responsibilities of directors and auditors

As described on page 2 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 the 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 statements. It also includes an assessment of the significant estimates and judgments 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 as to whether the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error.

The evidence available to us was limited because we were not appointed as auditors until after the balance sheet date. The company did not carry out a stocktaking at the year end and there are no practicable auditing procedures whereby we are able to confirm the amount at which stocks are stated. Any adjustment to this amount would have an equivalent effect on the company's results and net assets.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified opinion arising from limitation in audit scope

Except for any adjustment that might be shown to be necessary in the event that the amount of stock is incorrectly stated, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1995 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Langdon West Williams & Co

Langdon West Williams & Co

Chartered Accountants & Registered Auditors

14A High Street

Banstead

Surrey

Date: 26 June 1995

HILDRETHS (CHINA & HARDWARE) LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
TURNOVER	2	713,527	730,120
Cost of Sales		539,950	519,419
<u>GROSS PROFIT</u>		173,577	210,701
Net Operating Expenses			
Administrative Expenses		170,403	167,425
<u>OPERATING PROFIT</u>	3	3,174	43,276
Dividends Received		38	37
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE INTEREST</u>		3,212	43,313
Interest Payable		12,296	13,205
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>		(9,084)	30,108
Tax on Ordinary Activities	6	(1,245)	8,011
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u>		£ (7,839)	£ 22,097

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

The notes on pages 7 to 11 form part of these accounts.

HILDRETHS (CHINA & HARDWARE) LIMITEDSTATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 MARCH 1995


	<u>1995</u>	<u>1994</u>
	£	as restated £
(Loss)/profit for the financial year	(7,839)	22,097
Total recognised gains and losses relating to the year	(7,839)	22,097
Prior year adjustment - note 7	-	9,000
Total gains and losses recognised since last annual report	(7,839)	31,097

HILDRETHS (CHINA & HARDWARE) LIMITEDBALANCE SHEET
AS AT 31 MARCH 1995

	<u>Notes</u>	£	<u>1995</u>	£	£	<u>1994</u>	£
FIXED ASSETS							
Tangible Assets	8		331,032			328,845	
Investments	11		387			380	
			<u>331,419</u>			<u>329,225</u>	
CURRENT ASSETS							
Stock and Work in Progress	9	260,000			265,000		
Debtors	10	20,964			33,715		
Cash at Bank and in Hand		1,979			7,309		
		<u>282,943</u>			<u>306,024</u>		
CREDITORS : Amounts Falling Due within One Year	12	(257,582)			(261,263)		
NET CURRENT ASSETS			<u>25,361</u>			<u>44,761</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>356,780</u>			<u>373,986</u>	
CREDITORS : Amounts Falling Due After more than One Year	13		<u>70,984</u>			<u>80,350</u>	
			<u>£ 285,796</u>			<u>£ 293,636</u>	
CAPITAL AND RESERVES							
Share Capital	14		1,000			1,000	
Revaluation Reserve	15		84,117			84,117	
Profit and Loss Account			200,679			208,519	
TOTAL SHAREHOLDERS' FUNDS	16		<u>£ 285,796</u>			<u>£ 293,636</u>	

All items under capital and reserves are equity

Signed on behalf of the
board of directors



R W G Hildreth
Director

Approved by the board: 26 June 1995

The notes on pages 7 to 11 form part of these accounts.

HILDRETHS (CHINA & HARDWARE) LIMITED**NOTES TO ACCOUNTS**
FOR THE YEAR ENDED 31 MARCH 1995**1. ACCOUNTING POLICIES****Basis of Accounting**

The accounts have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and in accordance with applicable accounting standards.

Turnover

Turnover represents the net invoiced sales of goods and services, 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	Nil
Motor Vehicles	25% on WDV
Machinery/Fixtures and Fittings	15% on WDV

No depreciation is provided on freehold land.

No depreciation is provided on freehold buildings since it is the company's practice to maintain such buildings in a continual state of sound repair and any depreciation would not be material. Provision will be made should any permanent diminution in value of these properties occur.

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 concerned are not material.

Cash Flow Statement

The company has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a Cash Flow Statement for the year.

2. TURNOVER

The turnover and loss (1994 - 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.

3. OPERATING (LOSS)/PROFIT

The Operating Profit (1994 - Profit) is stated after charging:

	<u>1995</u>	<u>1994</u>
	£	£
Depreciation of Tangible Fixed Assets	4,436	4,825
Bank Overdraft Interest	1,706	6,715
Loan Interest	10,590	6,490
Auditors' Remuneration	1,000	1,300

HILDRETHS (CHINA & HARDWARE) LIMITEDNOTES TO ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1995**4. STAFF COSTS**

The costs incurred, including directors remuneration (note 5), were as follows:

	<u>1995</u>	<u>1994</u>
	£	£
Wages and Salaries	74,349	81,839
Social Security Costs	5,039	6,564
Pension Costs	5,000	5,000
	<u>84,388</u>	<u>93,403</u>

The average weekly number of employees during the year was as follows:

Office and Management	3	3
Sales	7	7
	<u>10</u>	<u>10</u>

Pension Costs

The company operates a defined contribution pension scheme for one of its directors and the assets of the scheme are held separately from those of in the company in an administered fund.

The pension cost charge represents contributions payable by the company in year and amounted to £5,000 (1994 - £5,000)

5. DIRECTORS' REMUNERATION

	<u>1995</u>	<u>1994</u>
	£	£
Directors' Remuneration	23,668	33,048
Directors' Pension Scheme	5,000	5,000
	<u>28,668</u>	<u>38,048</u>

6. TAXATION

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

	<u>1995</u>	<u>1994</u>
	£	£
Corporation Tax	-	8,012
Prior Year Adjustment	(1,245)	-
	<u>(1,245)</u>	<u>8,012</u>

Due to the loss for the year no corporation tax arises for 1995. Corporation tax was charged at 25% on the profit in 1994.

7. PRIOR YEAR ADJUSTMENT

This is in respect of a net pension contribution of £9,000 that was charged but never paid.

HILDRETHS (CHINA & HARDWARE) LIMITEDNOTES TO ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1995**8. TANGIBLE FIXED ASSETS**

	<u>Motor</u> <u>Vehicles</u>	<u>Machinery</u> <u>Fixtures &</u> <u>Fittings</u>	<u>Freehold</u> <u>Property</u>	<u>Total</u>
COST OR VALUATION	£	£	£	£
At 1 April 1994	10,928	62,312	305,446	378,686
Additions in Year	-	4,120	2,503	6,623
At 31 March 1995	10,928	66,432	307,949	385,309
DEPRECIATION				
At 1 April 1994	7,839	42,002	-	49,841
Write Off On Disposal	-	-	-	-
Charge for Year	772	3,664	-	4,436
At 31 March 1995	8,611	45,666	-	54,277
NET BOOK VALUE				
At 31 March 1995	2,317	20,766	307,949	331,032
At 31 March 1995	3,089	20,310	305,446	328,845

The directors do not consider it necessary to provide for depreciation on the company's freehold property. However, if a provision of 2% on the original cost were to be made in respect of the year ended 31 March 1995, the loss as reported would be increased by £1454 and in addition accumulated depreciation in respect of previous years amounting to £20,990 would have to be charged against accumulated profits.

9. STOCKS

	<u>1995</u> £	<u>1994</u> £
Finished Goods and Goods for Resale	260,000	265,000
	260,000	265,000

10. DEBTORS

	<u>1995</u> £	<u>1994</u> £
Amounts due within one year:		
Trade Debtors	19,531	30,022
Prepayments	175	769
Taxation	1,258	-
Value Added Tax	-	2,924
	20,964	33,715

HILDRETHS (CHINA & HARDWARE) LIMITEDNOTES TO ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1995**11. INVESTMENTS**

	<u>1995</u>	<u>1994</u>
	£	£
<u>Unlisted Investments</u>		
Cost at beginning of year	321	321
Additions in year	7	-
	<hr/>	<hr/>
As at end of year	328	321
	<hr/>	<hr/>

It is the opinion of the directors that the market value of the unlisted investments is not materially different from their book value.

Listed Investments

The company holds 141 ordinary shares in RTZ Corporation plc included at cost of £74 (1994 - £74). These were allotted in lieu of cash dividends January 1980 and March 1993.

The market value of the shares at 31 March 1995 was £1,162.

12. CREDITORS

Amounts falling due within one year:	<u>1995</u>	<u>1994</u>
	£	£
Bank Loans and Overdrafts (see below)	111,989	122,221
Trade Creditors	120,875	104,624
Taxation	-	11,007
Social Security and Other Taxes	2,217	1,755
R W G Hildreth Loan Account	16,814	16,195
Accruals	5,687	5,461
	<hr/>	<hr/>
	257,582	261,263
	<hr/>	<hr/>
Bank Overdraft	86,189	98,821
Bank Loan 1 Account	12,000	12,000
Bank Loan 2 Account	10,800	8,400
Business Development Loan	3,000	3,000
	<hr/>	<hr/>
	111,989	122,221
	<hr/>	<hr/>

The bank loan and overdraft are secured by way of legal mortgages over the company's freehold property and land known as The Limes, Wycombe Road, Prestwood, Buckinghamshire.

13. CREDITORS

Amounts falling due after more than one year:	<u>1995</u>	<u>1994</u>
	£	£
Bank Loan 1	27,000	24,000
Bank Loan 2	41,984	51,600
Business Development Loan	2,000	4,750
	<hr/>	<hr/>
	70,984	80,350
	<hr/>	<hr/>

All loans are repayable by instalments within five years.

HILDRETHS (CHINA & HARDWARE) LIMITEDNOTES TO ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1995**14. SHARE CAPITAL**

	<u>1995</u>	<u>1994</u>
	£	£
Authorised, 2,000 shares of 50p each	1,000	1,000
Allotted, Issued and Fully Paid	1,000	1,000

15. RESERVES

	<u>Revaluation Reserve</u>	<u>Profit & Loss A/c</u>
	£	£
At 1 April 1994	84,117	208,518
Retained for the Year	-	(7,839)
	84,117	200,679

The revaluation reserve represents the surpluses that have arisen on the revaluation of the freehold property less notional capital gains tax.

16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u>	<u>1994</u>
	£	as restated £
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(7,839)	22,097
Prior Year Adjustment	-	9,000
	(7,839)	31,097
Opening Shareholders' Funds	293,637	262,540
Closing Shareholders' Funds	285,798	293,637