

Registered Number 1044173

Hurst Stores and Interiors Limited  
Annual report  
for the year ended 31 March 2008



# **Hurst Stores and Interiors Limited**

## **Annual report for the year ended 31 March 2008**

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# **Hurst Stores and Interiors Limited**

## **Directors and advisers for the year ended 31 March 2008**

### **Executive Directors**

N R Hurst (Chairman)  
J E Hurst  
C R Hurst  
M Grant  
A Dobson  
L Robinson (appointed 01.07.07)  
J Woodroffe

### **Company Secretary**

J E Hurst

### **Registered Office**

Aynsley House  
Common Road  
Low Moor  
Bradford  
BD12 0UF

### **Auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Registered Auditors  
Benson House  
33 Wellington Street  
Leeds LS1 4JP

### **Solicitors**

Walker Morris  
Kings Court  
12 King Street  
Leeds  
LS1 2HL

### **Bankers**

Bank Of Scotland  
116 Wellington Street  
Leeds  
LS1 4LT

# **Hurst Stores and Interiors Limited**

## **Directors' report for the year ended 31 March 2008**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2008.

### **Business review and principal activities**

The principal activities of the company is shop fitting and joinery manufacture.

The company's profit for the year is £557,000 (2007 :loss of £463,000) which will be added to reserves. The directors do not recommend the payment of a dividend in respect of the year ended 31 March 2008. The profit and loss account for the year is set out on page 7.

### **Research and development**

The company continues to collaborate with customers through investing in developing prototyping and design.

### **Future outlook**

The external commercial environment is forecast to remain competitive during 2009 and the directors expect the business to maintain current customer activity and efficiency levels.

### **Principal risks and uncertainties**

The key business risks affecting the company are considered to relate to slowing economic growth, inflationary pressures, competitor activity, customer forecast capital expenditure requirements, employee retention and the product offering.

### **Key performance indicators (KPIs)**

The directors use KPIs when deemed appropriate for internal control and monitoring purposes.

### **Directors**

The directors who held office during the year are given below:

N R Hurst	(Chairman)
J E Hurst	
C R Hurst	
M Grant	
A Dobson	
L Robinson	(appointed 01.07.07)
J Woodroffe	

# Hurst Stores and Interiors Limited

## Directors' report for the year ended 31 March 2008 (continued)

### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements 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.

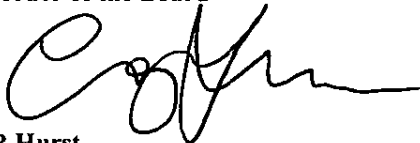
### Disclosure of information to auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware and the directors have taken all steps that ought to have been taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



C R Hurst  
Director  
12/12 2008

## **Hurst Stores and Interiors Limited**

### **Independent auditors' report to the members of Hurst Stores and Interiors Limited**

We have audited the financial statements of Hurst Stores and Interiors Limited for the year ended 31 March 2008 which comprise the Profit and loss account, the Balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

The director's responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Practice) are set out in the Statement of Director's Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 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 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.

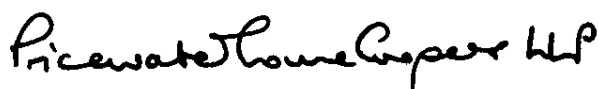
## **Hurst Stores and Interiors Limited**

### **Independent auditors' report to the members of Hurst Stores and Interiors Limited (continued)**

#### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.



**PricewaterhouseCoopers LLP**  
Chartered Accountants and Registered Auditors  
Leeds

**7** January 2009

## Hurst Stores and Interiors Limited

### Profit and loss account for the year ended 31 March 2008

	Note	2008 £'000	2007 £'000
Turnover	1	26,712	21,150
Cost of Sales		(23,779)	(19,925)
<b>Gross Profit</b>		<b>2,933</b>	<b>1,225</b>
Net operating expenses		(2,270)	(1,741)
<b>Operating profit / (loss)</b>		<b>663</b>	<b>(516)</b>
Net interest payable	4	(15)	(18)
<b>Profit / (loss) on ordinary activities before taxation</b>		<b>648</b>	<b>(534)</b>
Taxation (charge) / credit	6	(91)	71
<b>Retained profit / (deficit) for the financial year</b>	13,14	<b>557</b>	<b>(463)</b>

All items dealt with in arriving at the operating profit / (loss) relate to continuing operations.

The company has no recognised gains and losses other than the profit shown above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit / (loss) on ordinary activities before taxation and the retained profit / (deficit) for the year stated above and their historical cost equivalents.



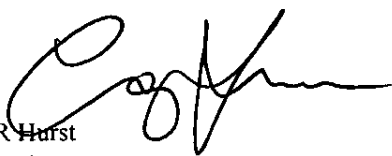
# Hurst Stores and Interiors Limited

## Balance sheet as at 31 March 2008

	Note	2008 £'000	2007 £'000
<b>Fixed assets</b>			
Tangible assets	7	210	315
<b>Current assets</b>			
Debtors	8	11,361	7,862
Cash at bank and in hand		1,331	1,024
		12,692	8,886
<b>Creditors – amounts falling due within one year</b>	9	(8,526)	(5,325)
<b>Net current assets</b>		4,166	3,561
<b>Total assets less current liabilities</b>		4,376	3,876
<b>Creditors – amounts falling due after more than one year</b>	10	(45)	(102)
<b>Net assets</b>		4,331	3,774
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Profit and loss account	13	4,331	3,774
<b>Equity shareholders' funds</b>	14	4,331	3,774

The financial statements on pages 7 to 19 were approved by the board of directors on 12 December 2008 and were signed on its behalf by:

C R Hurst  
Director



# **Hurst Stores and Interiors Limited**

## **Statement of accounting policies**

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards. The principal accounting policies are set out below.

### **Tangible fixed assets**

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, using the straight line method over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Improvements to leasehold property	20% straight line
Fixtures and fittings	20% - 33% straight line
Computer equipment	33% straight line
Plant and equipment	20% straight line
Motor vehicles	25% straight line

### **Finance and operating leases**

Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term. Leasing agreements which transfer to the company substantially all the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the profit and loss account on a straight line basis. Assets held under finance leases are depreciated over the useful lives of equivalent owned assets.

### **Stocks and work in progress, excluding long-term contracts**

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in, first out basis. Where necessary, provision is made for obsolete, slow moving and defective stocks.

### **Long-term contracts**

Turnover on long-term contracts is recognised according to the stage reached in the contract by reference to the value of work done. A prudent estimate of the profit attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty. The amount by which the turnover exceeds payments on account is shown under debtors as amounts recoverable on contracts. The costs on long-term contracts not yet taken to the profit and loss account less related foreseeable losses and payments on account are shown in stocks as work in progress.

## **Hurst Stores and Interiors Limited**

### **Statement of accounting policies (continued)**

#### **Turnover**

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

#### **Deferred taxation**

Deferred taxation is recognised on all timing differences where the transactions or events that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future, have occurred by the balance sheet date. Deferred taxation assets are not recognised if the transfer of economic benefits is not reasonably certain.

Deferred taxation is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. Deferred taxation is measured on a non-discounted basis.

#### **Pension scheme arrangements**

The company makes contributions to the personal pension plans of certain employees and a group personal pension plan is also in place for senior management. Contributions are charged to the profit and loss account in the year in which payments are made. Details of the group scheme are given in the financial statements of Hurst Group (Northern) Limited and are based on pension costs across the group as a whole.

The company provides no other post retirement benefits to its employees.

#### **Cash flow statement**

The company is a wholly owned subsidiary of Hurst Group (Northern) Limited and the cash flows of the company are included in the consolidated cash flow statement of Hurst Group (Northern) Limited. Consequently, the company is exempt under the terms of FRS 1 from publishing a cash flow statement.

# Hurst Stores and Interiors Limited

## Notes to the financial statements for the year ended 31 March 2008

### 1) Turnover

Turnover consists entirely of sales made in the United Kingdom and is wholly attributable to the principal activities of the company.

### 2) Directors' emoluments

	2008 £'000	2007 £'000
Aggregate emoluments including benefits	279	317
Pension scheme contributions	19	15
	298	332

Retirement benefits are accruing to four directors (2007: four directors) under a money purchase scheme.

<b>Highest paid director</b>	2008 £'000	2007 £'000
Aggregate emoluments including benefits	86	98
Pension scheme contributions	7	5

# Hurst Stores and Interiors Limited

## Notes to the financial statements for the year ended 31 March 2008 (continued)

### 3) Employee information

The average monthly number of persons (including executive directors) employed by the company during the year was:

By activity	2008 Number	2007 Number
Production	47	48
Office and management	44	42
	91	90

	2008 £'000	2007 £'000
<b>Staff costs (for the above persons)</b>		
Wages and salaries	2,834	2,737
Social security costs	344	337
Other pension costs	32	25
	3,210	3,099

### 4) Net interest payable

	2008 £'000	2007 £'000
<b>Interest receivable</b>		
Bank loans & overdraft	(2)	-
<b>Interest payable</b>		
Finance lease interest payable	17	18
Net interest payable	15	18

## **Hurst Stores and Interiors Limited**

### **Notes to the financial statements for the year ended 31 March 2008 (continued)**

#### **5) Profit / (loss) on ordinary activities before taxation**

	<b>2008 £'000</b>	<b>2007 £'000</b>
Profit / (loss) on ordinary activities before taxation is stated after charging / (crediting):		
Profit on disposal of tangible fixed assets	-	(14)
Depreciation charge for the year:		
Tangible owned fixed assets	83	57
Tangible fixed assets held under finance leases	119	100
Services provided by the company's auditors:		
- Fees payable for the audit	9	10
Hire of plant and machinery	440	232
Hire of other assets	153	131
Group management charge	400	100

#### **6) Tax (charge) / credit on profit / (loss) on ordinary activities**

	<b>2008 £'000</b>	<b>2007 £'000</b>
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(91)	71
Total deferred tax (note 11)	(91)	71
<b>Tax (charge)/credit on profit / (loss) on ordinary activities</b>	<b>(91)</b>	<b>71</b>

## Hurst Stores and Interiors Limited

### Notes to the financial statements

for the year ended 31 March 2008 (continued)

#### 6) Tax (charge) / credit on profit / (loss) on ordinary activities (continued)

The tax assessed for the year is lower than (2007: lower than) the standard rate of corporation tax in the UK (30%). The differences are explained below:

	2008 £'000	2007 £'000
Profit/(loss) on ordinary activities before taxation	649	(534)
Profit / (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2007: 30%)	195	(160)
Effects of:		
Expenses not deductible for tax purposes	4	7
Accelerated capital allowances	12	(3)
Group relief losses (claimed)/surrendered from/to other group companies free of charge	(51)	95
Other timing differences	(160)	61
Current tax charge for the period	-	-

# Hurst Stores and Interiors Limited

## Notes to the financial statements for the year ended 31 March 2008 (continued)

### 7) Tangible fixed assets

	Leasehold property improvements	Fixtures, fittings and computers	Motor vehicles	Plant and equipment	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost</b>					
At 1 April 2007	111	222	388	164	885
Additions	-	3	157	-	160
Disposals	-	-	(122)	-	(122)
<b>At 31 March 2008</b>	<b>111</b>	<b>225</b>	<b>423</b>	<b>164</b>	<b>923</b>
<b>Depreciation</b>					
At 1 April 2007	107	152	242	69	570
Charge for the year	2	30	137	33	202
Disposals	-	-	(59)	-	(59)
<b>At 31 March 2008</b>	<b>109</b>	<b>182</b>	<b>320</b>	<b>102</b>	<b>713</b>
<b>Net book amount</b>					
<b>At 31 March 2008</b>	<b>2</b>	<b>43</b>	<b>103</b>	<b>62</b>	<b>210</b>
At 31 March 2007	4	70	146	95	315

The net book amount of tangible fixed assets includes an amount of £134,000 (2007: £315,000) in respect of assets held under finance leases.



# Hurst Stores and Interiors Limited

## Notes to the financial statements for the year ended 31 March 2008 (continued)

### 8) Debtors

	2008 £'000	2007 £'000
Trade debtors	5,836	4,239
Amounts recoverable on contracts	4,056	1,786
Amounts owed by group undertakings	1,314	1,642
Deferred tax asset (note 11)	-	91
Other debtors	57	48
Prepayments and accrued income	98	56
	11,361	7,862

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 9) Creditors – Amounts falling due within one year

	2008 £'000	2007 £'000
Trade creditors	5,265	3,545
Amounts owed to group undertakings	2,456	996
Obligations under finance leases	79	91
Corporation tax	150	150
Other taxation and social security	404	424
Accruals and deferred income	172	119
	8,526	5,325

Amounts owed to group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

# Hurst Stores and Interiors Limited

## Notes to the financial statements for the year ended 31 March 2008 (continued)

### 10) Creditors – Amounts falling due after more than one year

	2008 £'000	2007 £'000
Obligations under finance leases	45	102

#### Finance leases

The net finance lease obligations to which the company is committed are:

	2008 £'000	2007 £'000
In one year or less	79	91
Between one and two years	33	73
Between two and five years	12	30
	124	194

### 11) Deferred tax asset

	2008 £'000	2007 £'000
At 1 April 2007	91	20
(Charge) /credit to profit and loss account (note 7)	(91)	71
At 31 March 2008	-	91

Analysis of the Group's potential and actual deferred taxation position is set out below:

	Full potential asset		Asset recognised	
	2008	2007	2008	2007
	£'000	£'000	£'000	£'000
Accelerated capital allowances	42	31	-	31
Losses	-	60	-	60
	42	91	-	91

## **Hurst Stores and Interiors Limited**

### **Notes to the financial statements for the year ended 31 March 2008 (continued)**

#### **12) Called up share capital**

	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Authorised, allotted, called up and fully paid</b>		
100 shares of £1 each	<b>100</b>	<b>100</b>

#### **13) Profit and loss account**

	<b>£'000</b>
At 1 April 2007	<b>3,774</b>
Profit for the financial year	<b>557</b>
<b>At 31 March 2008</b>	<b>4,331</b>

#### **14) Reconciliation of movements in shareholders' funds**

	<b>2008</b>	<b>2007</b>
	<b>£'000</b>	<b>£'000</b>
Profit/(loss) for the year	<b>557</b>	<b>(463)</b>
Net Increase/(reduction) to shareholders' funds	<b>557</b>	<b>(463)</b>
Opening shareholders' funds	<b>3,774</b>	<b>4,237</b>
<b>Closing shareholders' funds</b>	<b>4,331</b>	<b>3,774</b>

## **Hurst Stores and Interiors Limited**

### **Notes to the financial statements for the year ended 31 March 2008 (continued)**

#### **15) Contingent liabilities**

The company has given an unlimited multilateral banking guarantee against the banking facilities of the ultimate parent company and its fellow subsidiaries, excluding Hurst Plastics Limited.

#### **16) Ultimate parent company**

The company is a wholly owned subsidiary of Hurst Group (Northern) Limited.

The directors regard the ultimate parent company as Hurst Group (Northern) Limited, a company incorporated in England and Wales. Copies of the parent company's consolidated financial statements are available from:

The Company Secretary  
Hurst Group (Northern) Limited  
Aynsley House  
Common Road  
Low Moor  
Bradford  
BD12 0UF

#### **17) Related party transactions**

The company has taken advantage of the exemption under Financial Reporting Standard 8, "Related Party Disclosures" not to disclose related party transactions between fellow subsidiaries.