

POW LTD
FINANCIAL STATEMENTS

28TH FEBRUARY 1997

Registered number: 1479534

SULLY & CO
CHARTERED ACCOUNTANTS
Barnstaple



POW LTD

FINANCIAL STATEMENTS

for the year ended 28th February 1997

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The following page does not form part of the statutory accounts

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POW LTD

COMPANY INFORMATION

28th February 1997

NUMBER	1479534
CHAIRMAN	Mr A. Pow
OTHER DIRECTORS	Mr M. Pow Mrs M. Pow
SECRETARY	Mrs M. Pow
REGISTERED OFFICE	40 Mill Street Bideford North Devon
BANKERS	National Westminster Bank plc 86 High Street Bideford North Devon
ACCOUNTANTS	Sully & Co Chartered Accountants Choweree House 21 Boutport Street Barnstaple Devon EX31 1RP

POW LTD

DIRECTORS' REPORT

28th February 1997

The directors present their report and the financial statements for the year ended 28th February 1997.

Principal activity

The principal activity of the company was that of furniture retailing

Review of the business

The directors continue to review the profitability of the company. Overheads are being further contained and should continue to be so. Options for securing income from additional sources are still being pursued.

The introduction of loans from the directors has continued to improve the working capital of the company which in turn helps to provide a more secure foundation for the future.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	28th February 1997	1st March 1996
	Ordinary shares	Ordinary shares
Mr A. Pow	1	1
Mr M. Pow	1	1
Mrs M. Pow	1	1

Small company exemptions

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies provided by Part II of Schedule 8 to the Companies Act 1985.

On behalf of the board

Mrs M. Pow
Secretary

A.S. Pow.

40 Mill Street
Bideford
North Devon

POW LTD

ACCOUNTANTS' REPORT

Accountants' report to the members
on the unaudited financial statements of Pow Limited

We report on the financial statements for the year ended 28th February 1997 set out on pages 4 to 6.

Respective responsibilities of directors and reporting accountants

As described on page 5 the company's directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

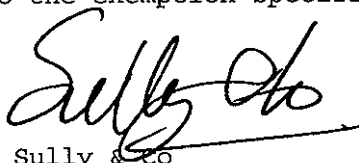
Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

Date:

26 September 1997



Sully & Co
Reporting Accountants
and Chartered Accountants
21 Boutport Street
BARNSTAPLE
Devon
EX31 1RP

POW LTD

PROFIT AND LOSS ACCOUNT

for the year ended 28th February 1997

	Note	1997 £	1996 £
Turnover		132,841	116,976
Cost of sales		(87,576)	(75,071)
Gross profit		45,265	41,905
Net operating expenses			
Distribution costs		(9,680)	(8,314)
Administrative expenses		(44,458)	(78,542)
Operating loss	2	(8,873)	(44,951)
Non-trading income	3	43,297	35,842
Other operating expenses	3	(17,616)	(6,391)
Interest payable		(12,960)	(12,854)
Profit/(loss) on ordinary activities before taxation		3,848	(28,354)
Taxation		(1,013)	-
Profit/(loss) on ordinary activities after taxation		2,835	(28,354)
retained for the year	10		

Movements in reserves are shown in note 10.

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

There are no recognised gains and losses in 1997 or 1996 other than the profit/(loss) for the year.

POW LTD

BALANCE SHEET

at 28th February 1997

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	4	17,186	13,964
Current assets			
Stocks		36,241	42,360
Debtors	5	3,105	2,705
Cash at bank and in hand		59	-
		<u>39,405</u>	<u>45,065</u>
Creditors: amounts falling due within one year	6	<u>(81,440)</u>	<u>(66,189)</u>
Net current liabilities		<u>(42,035)</u>	<u>(21,124)</u>
Total assets less current liabilities		<u>(24,849)</u>	<u>(7,160)</u>
Creditors: amounts falling due after more than one year	7	<u>(143,793)</u>	<u>(164,317)</u>
		<u>(168,642)</u>	<u>(171,477)</u>
Capital and reserves			
Called up share capital	9	3	3
Profit and loss account	10	<u>(168,645)</u>	<u>(171,480)</u>
Total shareholders' funds	8	<u>(168,642)</u>	<u>(171,477)</u>

Directors' Statement

The exemption conferred by Section 249A(2) not to have these accounts audited applies to the company and the directors confirm that no notice has been deposited under Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for ensuring that:

- (i) the company keeps accounting records which comply with Section 221 of the Companies Act 1985; and
- (ii) the accounts give a true and fair view of the state of affairs of the company as at 28th February 1997 and of its profit or loss for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company

In the preparation of the company's annual financial statements, the directors have taken advantage of special exemptions applicable to small companies under Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in their opinion, the company is entitled to those exemptions.

The financial statements on pages 4 to 6 were approved by the board of directors on 26 September 1997.

Signed POW Mr A. Pow Chairman

POW LTD
NOTES ON FINANCIAL STATEMENTS

6a

28th February 1997

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

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.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land and buildings	- Over 25 years
Furnishings, plant and equipment	- 10% on cost
Motor vehicles	- 25% on cost

2 Operating loss

	1997 £	1996 £
Operating loss is stated after crediting		
Profit on sale of assets	-	305
and after charging		
Depreciation of tangible fixed assets (note 4)		
owned assets	1,947	1,686
Directors' remuneration	11,930	41,485

3 Non-trading income and other operating expenses

	1997 £	1996 £
Rental Income	43,297	35,842
Other operating expenses re rental income		
Rates paid	10,607	86
Light, heat and power	703	-
Directors' remuneration	1,062	-
Property repairs	1,444	2,119
Insurance	2,183	1,152
Bank charges and interest	960	455
Professional fees	657	2,579
	17,616	6,391

POW LTD

NOTES ON FINANCIAL STATEMENTS

28th February 1997

4 Tangible fixed assets

	Land and Buildings £	Plant and Machinery etc £	Total £
Cost or valuation			
1st March 1996	9,187	38,950	48,137
Additions	-	5,147	5,147
	<hr/>	<hr/>	<hr/>
28th February 1997	9,187	44,097	53,284
	<hr/>	<hr/>	<hr/>
Depreciation			
1st March 1996	1,575	32,598	34,173
Charge for year	348	1,577	1,925
	<hr/>	<hr/>	<hr/>
28th February 1997	1,923	34,175	36,098
	<hr/>	<hr/>	<hr/>
Net book amount			
28th February 1997	7,264	9,922	17,186
	<hr/>	<hr/>	<hr/>
1st March 1996	7,612	6,352	13,964
	<hr/>	<hr/>	<hr/>

5 Debtors

	1997 £	1996 £
Amounts falling due within one year		
Trade debtors	1,807	2,571
Prepayments and accrued income	1,298	134
	<hr/>	<hr/>
	3,105	2,705
	<hr/>	<hr/>

POW LTD

NOTES ON FINANCIAL STATEMENTS

28th February 1997

6 Creditors: amounts falling due within one year

	1997 £	1996 £
Bank overdrafts and loans	49,896	38,920
Trade creditors	3,187	10,108
Other taxation and social security	5,999	4,393
Other loans	22,358	12,768
	<u>81,440</u>	<u>66,189</u>

The bank overdraft and loans are secured.

7 Creditors: amounts falling due after more than one year

	1997 £	1996 £
Business development loan		
Repayable two - five years	42,488	42,488
Repayable over five years	47,238	53,559
Other loans	54,067	68,270
	<u>143,793</u>	<u>164,317</u>

Other creditors includes a director's loan of £60,067 from Mr H and Mrs M Pow. there are no fixed terms for repayment of the loan and no interest is currently being charged. The loan is currently being repaid over 10 years in monthly instalments.

8 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit/(loss) for the financial year representing a Net addition to/(subtraction from) shareholders' funds	2,835	(28,354)
Opening shareholders' funds	<u>(171,477)</u>	<u>(143,123)</u>
Closing shareholders' funds	<u>(168,642)</u>	<u>(171,477)</u>

POW LTD

NOTES ON FINANCIAL STATEMENTS

28th February 1997

9 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Allotted called up and fully paid				
Ordinary shares of £1 each	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

10 Profit and loss account

	1997 £
1st March 1996	(171,480)
Retained profit for the year	<u>2,835</u>
28th February 1997	<u>(168,645)</u>

11 Related party transactions

The company occupies property owned by the directors for which no rent is charged.