

Richside Limited

Report and Financial Statements

Year Ended

31 August 2000



RICHSIDE LIMITED

Annual report and financial statements for the year ended 31 August 2000

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Directors

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Directors

P J Schmitz
P E Schmitz
A S Lever

Secretary and registered office

P E Schmitz, 66 Broomfield Road, Chelmsford, Essex, CM1 1SW.

Company number

1567716

Auditors

BDO Stoy Hayward, 66 Broomfield Road, Chelmsford, Essex, CM1 1SW.

RICHSIDE LIMITED

Report of the directors for the year ended 31 August 2000

The directors present their report together with the audited financial statements for the year ended 31 August 2000.

Results

The profit and loss account is set out on page 4 and shows the profit for the year.

Principal activities

The principal activity of the company continued to be that of retailers of electrical equipment.

Charitable and political contributions

During the year the company made charitable contributions of £3,669 (1999 - £1,525).

Directors

The directors of the company during the year and their interests in the shares of the company were as follows:

	Ordinary shares of £1 each	
	31 August 2000	1 September 1999
P J Schmitz	50,000	50,000
P E Schmitz	50,000	50,000
A S Lever	-	-

Directors' responsibilities

Company law requires the directors to prepare financial statements 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 statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements 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 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.

RICHSIDE LIMITED

Report of the directors for the year ended 31 August 2000 (*Continued*)

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

This report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act relating to small companies.

By order of the Board



P E Schmitz
Secretary

Date **23 JAN 2001**

RICHSIDE LIMITED

Report of the auditors

To the shareholders of Richside Limited

We have audited the financial statements on pages 4 to 11 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the 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.

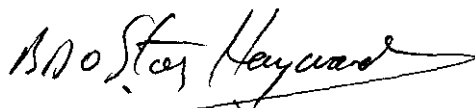
Basis of opinion

We conducted our audit in accordance with 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 financial statements. It also includes an assessment of the significant estimates and judgements 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO-STOY HAYWARD

*Chartered Accountants
and Registered Auditors
Chelmsford*

Date *26th January 2001*

RICHSIDE LIMITED**Profit and loss account for the year ended 31 August 2000**

	Note	2000 £	1999 £
Turnover	2	3,264,369	3,274,564
Cost of sales		1,964,191	2,240,115
		<hr/>	<hr/>
Gross profit		1,300,178	1,034,449
Administrative expenses		1,014,529	713,283
		<hr/>	<hr/>
Operating profit	4	285,649	321,166
Interest receivable		9,829	12,001
Interest payable and similar charges	5	(3,253)	(20,919)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		292,225	312,248
Taxation on profit from ordinary activities		71,270	62,000
		<hr/>	<hr/>
Profit on ordinary activities after taxation		220,955	250,248
Dividends		200,000	200,000
		<hr/>	<hr/>
Retained profit for the year		20,955	50,248
		<hr/>	<hr/>

All amounts relate to continuing activities.

There are no recognised gains and losses other than those passing through the profit and loss account.

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

RICHSIDE LIMITED**Reconciliation of movements in shareholders' funds for the year ended 31 August 2000**

	Note	2000 £	1999 £
Profit for the year		220,955	250,248
Dividends		(200,000)	(200,000)
		<hr/>	<hr/>
Opening shareholders' funds		20,955	50,248
		166,654	116,406
		<hr/>	<hr/>
Closing shareholders' funds		187,609	166,654
		<hr/> <hr/>	<hr/> <hr/>

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

RICHSIDE LIMITED

Balance sheet at 31 August 2000

	Note	2000	1999
		£	£
Fixed assets			
Tangible assets	6	21,198	57,307
Current assets			
Stocks		383,618	455,507
Debtors	7	76,271	34,231
Cash at bank and in hand		340,852	155,091
		<u>800,741</u>	<u>644,829</u>
Creditors: amounts falling due within one year	8	<u>598,569</u>	<u>481,892</u>
Net current assets		<u>202,172</u>	<u>162,937</u>
Total assets less current liabilities		<u>223,370</u>	<u>220,244</u>
Creditors: amounts falling due after more than one year	9	<u>35,761</u>	<u>53,590</u>
		<u>187,609</u>	<u>166,654</u>
Capital and reserves			
Called up share capital	10	100,000	100,000
Profit and loss account	11	87,609	66,654
Shareholders' funds- equity		<u>187,609</u>	<u>166,654</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on **23 JAN 2001**

P J Schmitz
Director



P E Schmitz
Director



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

RICHSIDE LIMITED

Notes forming part of the financial statements for the year ended 31 August 2000

1 Accounting policies

The financial statements have been prepared under the historical cost convention, as modified by the transitional arrangements which have been followed this year on adopting Financial Reporting Standard 15, "Tangible Fixed Assets". The following principal accounting policies have been applied:

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Tangible fixed assets

The company is adopting FRS 15 this year. In future, all additions to tangible fixed assets will be stated at cost. Where existing unimpaired tangible fixed assets are stated at valuation the company has taken advantage of the transitional arrangements in FRS 15 to retain these book values. Where an asset that was previously revalued is disposed of, its book value is eliminated and an appropriate transfer made from the revaluation reserve to the profit and loss reserve.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Improvements to short term leasehold	-	10% per annum
Fixtures, fittings and office equipment	-	12½% per annum
Motor vehicles	-	25% per annum

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

Leased assets

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Pension costs

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

RICHSIDE LIMITED

Notes forming part of the financial statements for the year ended 31 August 2000 (*Continued*)

1 Accounting policies (*continued*)

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Exchange guarantee scheme

The company operates an extended guarantee scheme, offering a three year warranty to customers. Premiums cover the second and third years of the warranty only. Therefore, premiums received during the period are deferred, and released to the profit and loss account in two equal instalments in years two and three of the scheme.

2 Turnover

Turnover is wholly attributable to the principal activity of the company and arises within the following geographical markets:

	Turnover	
	2000	1999
	£	£
United Kingdom	3,218,702	3,229,967
Rest of European Community	45,667	44,597
	<hr/>	<hr/>
	3,264,369	3,274,564
	<hr/>	<hr/>

It is not practicable to provide details of export countries.

3 Directors

	2000	1999
	£	£
Directors' emoluments	409,691	206,804
Company pension contributions to money purchase schemes	6,000	-
	<hr/>	<hr/>
	415,691	206,804
	<hr/>	<hr/>

There were 3 (1999 - 3) directors in the company's defined contribution scheme during the year.

RICHSIDE LIMITED

Notes forming part of the financial statements for the year ended 31 August 2000 *(Continued)*

4 Operating profit

	2000 £	1999 £
This has been arrived at after charging/(crediting):		
Depreciation	40,074	40,701
Hire of other assets - operating leases	51,000	51,000
Auditors' remuneration	8,000	7,545
Profit on disposal of fixed assets	-	(27,062)
	<u> </u>	<u> </u>

5 Interest payable and similar charges

	2000 £	1999 £
On bank loans and overdrafts	175	(46)
On other loans	3,078	20,965
	<u> </u>	<u> </u>
	3,253	20,919
	<u> </u>	<u> </u>

6 Tangible fixed assets

	Improvements to short term leasehold £	Fixtures, fittings & office equipment £	Motor vehicles £	Total £
<i>Cost</i>				
At 1 September 1999	288,584	103,992	33,882	426,458
Additions	-	3,965	-	3,965
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2000	288,584	107,957	33,882	430,423
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Depreciation</i>				
At 1 September 1999	261,617	92,545	14,989	369,151
Provided for the year	26,967	4,811	8,296	40,074
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2000	288,584	97,356	23,285	409,225
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Net book value</i>				
At 31 August 2000	-	10,601	10,597	21,198
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 1999	26,967	11,447	18,893	57,307
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

RICHSIDE LIMITED

Notes forming part of the financial statements for the year ended 31 August 2000 (Continued)

7 Debtors

	2000 £	1999 £
Trade debtors	53,033	5,410
Other debtors	3,185	7,894
Prepayments and accrued income	20,053	20,927
	<u>76,271</u>	<u>34,231</u>

All amounts shown under debtors fall due for payment within one year.

8 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank overdraft	23,225	-
Trade creditors	110,756	104,612
Corporation tax	68,720	12,000
Other taxes and social security costs	48,950	34,428
Directors' current accounts	1,305	205,069
Other creditors	13	20,965
Accruals and deferred income	345,600	104,818
	<u>598,569</u>	<u>481,892</u>

9 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Deferred warranty income	35,761	53,590
	<u></u>	<u></u>

10 Share capital

	2000 Number	1999 Number	Authorised 2000 £	1999 £
Ordinary shares of £1 each	100,000	100,000	100,000	100,000
	<u></u>	<u></u>	<u></u>	<u></u>
	Allotted, called up and fully paid			
	2000 Number	1999 Number	2000 £	1999 £
Ordinary shares of £1 each	100,000	100,000	100,000	100,000
	<u></u>	<u></u>	<u></u>	<u></u>

RICHSIDE LIMITED

Notes forming part of the financial statements for the year ended 31 August 2000 (*Continued*)

11 Profit and loss reserve

	£
At 1 September 1999	66,654
Retained profit for the year	20,955
	<hr/>
At 31 August 2000	87,609
	<hr/> <hr/>

12 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

13 Commitments under operating leases

As at 31 August 2000, the company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings	
	2000	1999
	£	£
Operating leases which expire:		
Over five years	51,000	51,000
	<hr/> <hr/>	<hr/> <hr/>

14 Cash flow statement

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as the directors believe the company is "small" under the Companies Act 1985.

15 Control

The company is controlled by P J Schmitz and Mrs P E Schmitz, by virtue of their owning 100% of the company's share capital, and both being company directors.

16 Related party transactions

At the balance sheet date, the company owed to P J Schmitz and Mrs P E Schmitz £1,305 (1999 - £205,069). Interest due on their loan account amounted to £620 (1999 - £20,965).

Mr P J and Mrs P E Schmitz have an interest in the rent paid by the company for the use of property which they own. During the year, they received £50,000 (1999 - £50,000).