

COMPANY INFORMATION

31 May 1994

Incorporated in England

Number 1984649

DIRECTORS

A.J.Uren

SECRETARY

Mr.G.M.Guthrie

REGISTERED OFFICE

11 Gold Tops
Newport
Gwent
NP9 4UJ

AUDITORS

Little & Company
Chartered Accountants
45 Park Road
Gloucester
GL1 1LP



BANNER HARDWARE LIMITED

DIRECTORS' REPORT

31 May 1994

The directors present their report and the audited financial statements for the year ended 31 May 1994.

Principal activity

The principal activity of the company in the year under review continued to be that of wholesalers of ironmongery.

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

	31 May 1994 Ordinary shares	1 June 1993 Ordinary shares
A.J.Uren	2	2

Auditors

Little & Company have agreed to offer themselves for re-appointment as auditors of the company.

Small company exemptions

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies.

On behalf of the board


Mr. A. Uren
Director

11 Gold Tops
Newport
Gwent
NP9 4UJ

24 May 1995

BANNER HARDWARE LIMITED**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are required under company law 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:

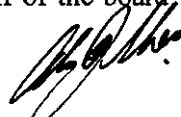
- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

24 May 1995

On behalf of the board



Mr. A. Uren
Director

BANNER HARDWARE LIMITED**AUDITORS' REPORT**

Auditors' report to the members of

Banner Hardware Limited

We have audited the financial statements on pages 5 - 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, 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 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 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.

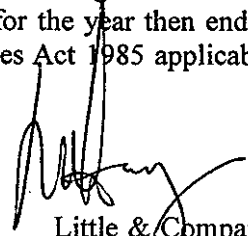
We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. However, the evidence available to us was limited because although a stocktake was carried out by the company, no costings were available, and there were no other satisfactory audit procedures that we could adopt to confirm the valuation of stock included in the accounts.

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 adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the valuation of closing stock, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 1994 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Gloucester
25 May 1995



Little & Company
Registered Auditors
Chartered Accountants

BANNER HARDWARE LIMITED**PROFIT AND LOSS ACCOUNT**

for the year ended 31 May 1994

	Note	1994 £	1993 £
Turnover	2	1,134,324	1,000,162
Cost of sales		<u>(752,787)</u>	<u>(625,941)</u>
Gross profit		381,537	374,221
Net operating expenses			
Distribution costs		(34,514)	(28,400)
Administrative expenses		<u>(204,937)</u>	<u>(191,165)</u>
Operating profit	3	142,086	154,656
Investment income	5	1,000	-
Interest payable	6	<u>(11,642)</u>	<u>(7,601)</u>
Profit on ordinary activities before taxation		131,444	147,055
Taxation	7	<u>(28,810)</u>	<u>(40,475)</u>
Profit on ordinary activities after taxation retained for the year	16	£ <u>102,634</u>	£ <u>106,580</u>

Other movements in reserves are shown in notes 15 to 16.

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

There are no recognised gains and losses in 1994 or 1993 other than the profit for the year.

BANNER HARDWARE LIMITED


BALANCE SHEET

at 31 May 1994

	Note	£	1994 £	£	1993 £
Fixed assets					
Tangible assets	8		145,328		48,932
Current assets					
Stocks	9	390,000		325,000	
Debtors	10	253,822		258,660	
Cash at bank and in hand		3,839		5,054	
			647,661	588,714	
Creditors: amounts falling due within one year	11	(315,477)		(300,837)	
Net current assets			332,184	287,877	
Total assets less current liabilities			477,512	336,809	
Creditors: amounts falling due after more than one year	12		(38,069)	-	
			439,443	336,809	
Capital and reserves					
Called up share capital	14		2	2	
Share premium account	15		49,998	49,998	
Profit and loss account	16		389,443	286,809	
Total shareholders' funds	13		439,443	336,809	

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part I of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The financial statements on pages 5 - 11 were approved by the board of directors on 24 May 1995.



A.J. Uren
Director

BANNER HARDWARE LIMITED**NOTES ON FINANCIAL STATEMENTS****31 May 1994****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 is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

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:

Plant and machinery	20% on cost
Motor vehicles	25% on cost
Fixtures and fittings	20% on cost

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks

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

2 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities stated net of value added tax.

In the opinion of the directors, 7% of the turnover of the company is attributable to geographical markets outside the UK. (1993 5%)

BANNER HARDWARE LIMITED
NOTES ON FINANCIAL STATEMENTS

31 May 1994

3	Operating profit	1994	1993
		£	£
	Operating profit is stated after crediting		
	Profit on sale of assets	<u>2,400</u>	<u>-</u>
	and after charging		
	Auditors' remuneration	1,850	1,800
	Operating leases - Rent	<u>22,227</u>	<u>20,615</u>
	Depreciation of tangible fixed assets (note 8)		
	owned assets	17,048	15,774
	leased assets	<u>16,200</u>	<u>-</u>
		<u>33,248</u>	<u>15,774</u>
4	Directors	1994	1993
		£	£
	Directors' emoluments (including benefits in kind)	<u>39,485</u>	<u>37,552</u>
5	Investment income	1994	1993
		£	£
	Interest receivable	<u>1,000</u>	<u>-</u>
6	Interest payable	1994	1993
		£	£
	Finance lease and hire purchase contracts	5,273	-
	Other interest payable	<u>6,369</u>	<u>7,601</u>
		<u>11,642</u>	<u>7,601</u>
7	Taxation	1994	1993
		£	£
	Corporation tax on profit on ordinary activities at 25% (1993 25%)	<u>28,810</u>	<u>40,475</u>

BANNER HARDWARE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 May 1994

8 Tangible fixed assets

Cost or valuation	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Total £
1 June 1993	71,050	80,413	40,325	191,788
Additions	73,750	53,760	2,134	129,644
Disposals	(27,675)	-	-	(27,675)
31 May 1994	<u>117,125</u>	<u>134,173</u>	<u>42,459</u>	<u>293,757</u>
Depreciation				
1 June 1993	63,300	60,397	19,159	142,856
Charge for year	19,525	6,078	7,645	33,248
Disposals	(27,675)	-	-	(27,675)
31 May 1994	<u>55,150</u>	<u>66,475</u>	<u>26,804</u>	<u>148,429</u>
Net book amount				
31 May 1994	<u>61,975</u>	<u>67,698</u>	<u>15,655</u>	<u>145,328</u>
1 June 1993	<u>7,750</u>	<u>20,016</u>	<u>21,166</u>	<u>48,932</u>

The net book amount of fixed assets includes £55,600 (1993 £0) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

9 Stocks

	1994 £	1993 £
Stocks	<u>390,000</u>	<u>325,000</u>

10 Debtors

	1994 £	1993 £
Amounts falling due within one year		
Trade debtors	246,689	254,136
Other debtors	<u>7,133</u>	<u>4,524</u>
	<u>253,822</u>	<u>258,660</u>

BANNER HARDWARE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 May 1994

11 Creditors: amounts falling due within one year

	1994 £	1993 £
Bank overdraft	72,293	166,678
Trade creditors	99,863	25,377
Other creditors	143,321	108,782
	<u>315,477</u>	<u>300,837</u>

12 Creditors: amounts falling due after more than one year

	1994 £	1993 £
Other creditors	38,069	-
	<u>38,069</u>	<u>-</u>

Obligations under finance leases and hire purchase contracts

Amounts included above are repayable over varying periods by monthly instalments as follows:

In the next year	16,547	-
In the second to fifth year	38,069	-
	<u>54,616</u>	<u>-</u>

13 Reconciliation of movements in shareholders' funds

	1994 £	1993 £
Profit for the financial year representing a Net addition to shareholders' funds	102,634	106,580
Opening shareholders' funds	<u>336,809</u>	<u>230,229</u>
Closing shareholders' funds	<u>439,443</u>	<u>336,809</u>

BANNER HARDWARE LIMITED
NOTES ON FINANCIAL STATEMENTS

31 May 1994

14 Called up share capital

	1994		1993	
	Number of shares	£	Number of shares	£
Authorised				
Equity shares				
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Allotted called up and fully paid				
Equity shares				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

15 Share premium account

	1994 £
1 June 1993 and 31 May 1994	<u>49,998</u>

16 Profit and loss account

	1994 £
1 June 1993	286,809
Retained profit for the year	<u>102,634</u>
31 May 1994	<u>389,443</u>

17 Guarantees and other financial commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 May 1994

	1994 Land and Buildings £	1993 Land and Buildings £
Expiring After five years	<u>23,072</u>	<u>22,454</u>
	<u>23,072</u>	<u>22,454</u>