

COMPANIES HOUSE

Grant Thornton 

**HAND TOOLS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED**

**31 MARCH 1995**

**COMPANY NO: 2359884**



**HAND TOOLS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 1995**

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Company Registration Number: 2359884

Registered Office: Stbley Works  
Wreakes Lane  
Dronfield  
Sheffield  
S18 6PN

Directors: Mr I D Gale  
Mr R Bly  
Mr G A P Lillie  
Mr L P Harvey

Secretary: Mr B Summerson

Bankers: The Royal Bank of Scotland plc

Solicitors: Grainger Appleyard & Fleming

Auditors: Grant Thornton  
Registered Auditors  
Chartered Accountants

**HAND TOOLS LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 MARCH 1995**

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## **HAND TOOLS LIMITED**

### **REPORT OF THE DIRECTORS**

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The directors present their report together with financial statements for the period ended 31 March 1995.

#### **Principal activity**

The company's principal activity during the period was the manufacture, purchase and distribution of garden, hand and building tools.

#### **Business review**

There was a loss for the period after taxation amounting to £15,502 (1993 loss £12,260). The directors do not recommend payment of a dividend and the loss has been deducted from reserves.

#### **Directors**

The directors in office at the end of the period are listed below. Both served on the board throughout the period. The interests of the directors in office at 31 March 1995 in the shares of the company at 1 January 1994 and 31 March 1995 were as follows:

	<b>Ordinary shares</b>	<b>Preference shares</b>
Mr I D Gale	4,847	35,153
Mr R Bly	4,040	21,960

Mr G A P Lillie and Mr L P Harvey were appointed as directors on 11 April 1995. Mr R Bly resigned as a director on 5 May 1995.

#### **Directors' responsibilities for the financial statements**

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 and 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;
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Fixed assets**

Changes to tangible fixed assets are set out in note 5 to the financial statements.

**HAND TOOLS LIMITED**

**REPORT OF THE DIRECTORS (CONTINUED)**

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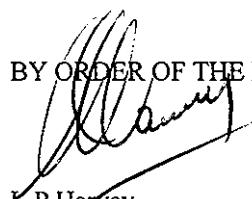
**Post balance sheet event**

On 11 April 1995 the entire share capital of the company was sold to The Horticultural and General Standard Manufacturing Company Limited.

**Auditors**

Grant Thornton offer themselves for re-appointment as auditors in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'L P Harvey', is written over the text 'BY ORDER OF THE BOARD'.

L P Harvey  
Director

11 October 1995

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
HAND TOOLS LIMITED**

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

**Respective responsibilities of directors and auditors**

As described on page 1 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.

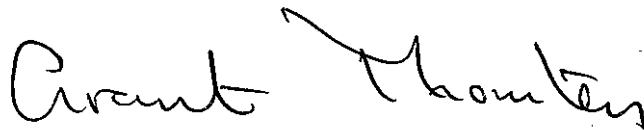
**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. 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 at 31 March 1995 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
SHEFFIELD

11 October 1995

## **HAND TOOLS LIMITED**

### **ACCOUNTING POLICIES**

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The financial statements have been prepared under the historical convention.

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year.

#### **Turnover**

Turnover is the total amount receivable by the company for goods supplied and services provided excluding value added tax.

#### **Depreciation**

Depreciation is calculated to write down the cost of tangible fixed assets by equal annual instalments over their expected useful lives.

The rates generally applicable are:

Freehold properties	2.0%
Plant and machinery	12.5%
Computer equipment	33.0%

#### **Stocks**

Stocks and work in progress have been valued at the lower of cost and net realisable value.

#### **Deferred taxation**

No provision is made for taxation which is deferred in respect of differences between depreciation and other charges provided for in the financial statements and the corresponding allowances for tax purposes in so far as it is thought to be reasonably probable that an actual tax liability will not arise in the foreseeable future.

#### **Pension scheme**

The pension costs charged against profits represent the amounts of contributions payable to the scheme in respect of the accounting period.

**HAND TOOLS LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE PERIOD ENDED 31 MARCH 1995**

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	Note	15 months ended 31 March 1995	12 months ended 31 December 1993
Turnover	1	247,686	256,887
Cost of sales		<u>188,455</u>	<u>164,179</u>
Gross profit		59,231	92,708
Administrative expenses		<u>97,970</u>	<u>89,439</u>
Operating (loss)/profit		(38,739)	3,269
Exceptional item Profit on sale of fixed assets		42,130	-
Interest payable	2	<u>(18,893)</u>	<u>(15,529)</u>
Loss on ordinary activities for the financial period/year	10	<u>(15,502)</u>	<u>(12,260)</u>

There were no recognised gains or losses other than the loss for the financial period.

The accompanying accounting policies and notes form an integral part of these financial statements.

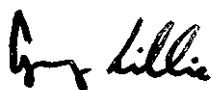


# HAND TOOLS LIMITED

## BALANCE SHEET AT 31 MARCH 1995

		31 March 1995		31 December 1993	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5		25,350		169,880
<b>Current assets</b>					
Stocks	6	88,282		119,754	
Debtors	7	25,717		27,574	
Cash at bank and in hand		45		-	
		<u>114,044</u>		<u>147,328</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>75,494</u>		<u>121,051</u>	
<b>Net current assets</b>			<u>38,550</u>		<u>26,277</u>
<b>Total assets less current liabilities</b>			63,900		196,157
<b>Creditors: amounts falling due after more than one year</b>			-		116,755
			<u>63,900</u>		<u>79,402</u>
<b>Capital and reserves</b>					
Called up share capital	9	307,500		307,500	
Profit and loss account	10	(243,600)		(228,098)	
<b>Shareholders' funds</b>	11	<u>63,900</u>		<u>79,402</u>	

The financial statements were approved by the Board of Directors on 11 October 1995.



G A P Lillie

Director

The accompanying accounting policies and notes form an integral part of these financial statements.

# HAND TOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 1995

### 1 Analysis of turnover and profit on ordinary activities before taxation

Turnover arises from the company's principal activity and geographical analysis of turnover is as follows:

	15 months ended 31 March 1995	12 months ended 31 December 1993
UK sales	215,064	236,248
Export sales	<u>32,622</u>	<u>20,639</u>
	<u>247,686</u>	<u>256,887</u>

Profit on ordinary activities before taxation is stated after:

	£	£
Depreciation	15,343	12,832
Auditors' remuneration	2,500	2,500
Operating lease - land and buildings	<u>1,127</u>	<u>-</u>

### 2 Interest payable and similar charges

	15 months ended 31 March 1995	12 months ended 31 December 1993
On bank loans and overdraft:		
Repayable within 5 years otherwise than by instalments	4,595	3,155
On long term loan repaid during the period	<u>14,298</u>	<u>12,374</u>
	<u>18,893</u>	<u>15,529</u>

### 3 Directors and employees

Staff costs during the period were as follows:

	15 months ended 31 March 1995	12 months ended 31 December 1993
Wages and salaries	123,798	120,630
Social security costs	10,380	10,957
Other pension costs	<u>6,400</u>	<u>7,200</u>
	<u>140,578</u>	<u>138,787</u>

# HAND TOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 1995

### 3 Directors and employees (continued)

The average number of employees of the company, including directors, during the period was 12 (1993 14).

Remuneration in respect of directors was as follows:

	15 months ended 31 March 1995	12 months ended 31 December 1993
Management remuneration	28,620	26,472
Pension	6,000	4,800
	<u>34,620</u>	<u>31,272</u>

### 4 Taxation

No taxation is provided for the period. Unrelieved tax losses of £300,000 (1993 £260,000) remain available to offset future taxable trading profits.

### 5 Tangible assets

	Total £	Freehold land and buildings £	Plant and equipment £
Cost			
At 1 January 1994	223,614	140,000	83,614
Disposals	(151,254)	(140,000)	(11,254)
At 31 March 1995	<u>72,360</u>	<u>-</u>	<u>72,360</u>
Depreciation			
At 1 January 1994	53,734	11,200	42,534
Disposals	(22,067)	(14,700)	(7,367)
Charged in the period	15,343	3,500	11,843
At 31 March 1995	<u>47,010</u>	<u>-</u>	<u>47,010</u>
Net book amount at 31 March 1995	<u>25,350</u>	<u>-</u>	<u>25,350</u>
Net book amount at 31 December 1993	<u>169,880</u>	<u>128,800</u>	<u>41,080</u>

# HAND TOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR PERIOD ENDED 31 MARCH 1995

### 6 Stocks

	31 March 1995 £	31 December 1993 £
Raw materials and work in progress	71,468	75,943
Finished goods	16,814	43,811
	<u>88,282</u>	<u>119,754</u>

### 7 Debtors

	31 March 1995 £	31 December 1993 £
Trade debtors	25,717	26,580
Prepayments and accrued income	-	994
	<u>25,717</u>	<u>27,574</u>

### 8 Creditors: amounts falling due within one year

	31 March 1995 £	31 December 1993 £
Secured loan	-	21,600
Bank loans and overdraft	26,640	51,348
Trade creditors	19,288	21,185
Social security and other taxes	22,493	13,335
Other creditors and accruals	7,073	13,583
	<u>75,494</u>	<u>121,051</u>

The loan from Royscot Factors Limited is secured by way of a charge over all book debts of the company.

The bank overdraft is secured by way of a fixed and floating charge over all other assets of the company. Interest on the overdraft is charged at 3% above base.

**HAND TOOLS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

FOR THE PERIOD ENDED 31 MARCH 1995

**9 Called up share capital**

	31 March 1995 £	31 December 1993 £
Authorised		
20,000 ordinary shares of £1 each	20,000	20,000
287,500 preference shares of £1 each	287,500	287,500
	<u>307,500</u>	<u>307,500</u>
Allotted, called up and fully paid		
20,000 ordinary shares of £1 each	20,000	20,000
287,500 preference shares of £1 each	287,500	287,500
	<u>307,500</u>	<u>307,500</u>

In 1992 it was agreed that preference shares were no longer redeemable and, in addition, all future and past dividend rights in relation to preference shares were waived.

**10 Profit and loss account**

	£
Losses at 1 January 1994	(228,098)
Loss for the period	(15,502)
Losses at 31 March 1995	<u>(243,600)</u>

**11 Reconciliation of movements in shareholders' funds**

	31 March 1995 £	31 December 1993 £
Loss for the financial period	15,502	12,260
Shareholders' funds at 31 December 1993	79,402	91,662
Shareholders' funds at 31 March 1995	<u>63,900</u>	<u>79,402</u>

**12 Pensions**

The company operates a defined contribution pension scheme.

**13 Capital commitments**

There were no significant capital commitments at 31 March 1995 or 31 December 1993.

# HAND TOOLS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 1995

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### 14 Leasing commitments

Operating lease payments amounting to £15,000 (1993 £nil) are due within one year. The leases to which these amounts relate expire as follows:

	31 March 1995 £	31 December 1993 £
In five years or more	<u>15,000</u>	<u>-</u>

### 15 Post balance sheet event

On 11 April 1995 the entire share capital of the company was sold to The Horticulture and General Standard Manufacturing Company Limited.