

**HAREWOOD INTERNATIONAL LIMITED**

**Company Registration Number 2419561**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31ST DECEMBER 1999**



*Wine & Co.  
Chartered Accountants and  
Registered Auditors  
20-22 Bridge End  
Leeds  
LS1 4DJ*

**HAREWOOD INTERNATIONAL LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1999**

	Page No.
Auditors' report	1-2
Abbreviated balance sheet	3
Notes to the abbreviated accounts	4-5

**AUDITORS REPORT TO HAREWOOD INTERNATIONAL LIMITED****PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 3 to 5 together with the financial statements of the company prepared under Section 226 of the Companies Act 1985 for the year ended 31st December 1999.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

**Opinion**

In our opinion, the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 5, have been properly prepared in accordance with those provisions.

**Other information**

On 30th October 2000 we reported, as auditors of Harewood International Limited, to the members on the financial statements prepared under Section 226 of the Companies Act 1985, and our audit report was as follows:-

We have audited the financial statements on pages 5 to 11 which have been prepared in accordance with the Financial Reporting Standard For Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out in note 1.

**Respective responsibilities of directors and auditors**

As described on page 2 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 financial 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.

continued

**AUDITORS REPORT TO HAREWOOD INTERNATIONAL LIMITED****PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985 (CONTINUED)****Fundamental uncertainty**

The financial statements have been prepared on the going concern basis, the validity of which depends upon the continued support of the company's creditors, in particular the bank and the company's Pension Scheme. The financial statements do not include any adjustments should this support be withdrawn. Our opinion is not qualified in this respect.

**Opinion : disclaimer on view given by financial statements**

The evidence available to us was limited as a result of the following:

1. The company has not been able to provide adequate records relating to the period covered by the financial statements. In consequence we have been unable to carry out auditing procedures necessary to test transactions arising in the period. Accordingly we are unable to confirm defrayment of expenditure and completeness of income.
2. We have been unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and condition of stock appearing in the balance sheet at £696,640. Any adjustments to this figure would have a consequential significant effect on the profit for the year.

Because of the possible effect of the limitation in evidence available to us we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs at 31st December 1999 or of its profit for the year then ended. In all other respects in our opinion the financial statements have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our audit work relating to the items as noted above

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether proper accounting records have been maintained.

*Wine & Co.*

*30th October 2000*

*Wine & Co.  
Chartered Accountants and  
Registered Auditors  
20-22 Bridge End  
Leeds  
LS1 4DJ*

## HAREWOOD INTERNATIONAL LIMITED

## ABBREVIATED BALANCE SHEET AT 31ST DECEMBER 1999

		<u>1999</u>	<u>1998</u>
	Note	£	£
<b>Fixed assets</b>	2	73,458	70,250
<b>Current assets</b>			
Stocks		696,640	678,216
Debtors		148,903	197,653
Cash at bank and in hand		<u>498,378</u>	<u>291,778</u>
		1,343,921	1,167,647
Creditors: Amounts falling due within one year	3	<u>(1,279,946)</u>	<u>(1,138,619)</u>
<b>Net current assets</b>		<u>63,975</u>	<u>29,028</u>
<b>Total assets less current liabilities</b>		137,433	99,278
Creditors: Amounts falling due after more than one year		<u>(255,328)</u>	<u>(250,000)</u>
<b>Net liabilities</b>		<u>(117,895)</u>	<u>(150,722)</u>
<b>Capital and reserves</b>			
Called up share capital	4	1,000	1,000
Profit and loss account		<u>(118,895)</u>	<u>(151,722)</u>
<b>Equity shareholders' deficit</b>		<u>(117,895)</u>	<u>(150,722)</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These abbreviated accounts were approved by the Board on  
were signed on its behalf by:-

30/10/2000

and

R. Dhir

Director

The notes on pages 3 to 4 form part of these abbreviated accounts.

**HAREWOOD INTERNATIONAL LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1999**

**1 Accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and have also been consistently applied within the same financial statements.

**Accounting convention**

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) under the historical cost convention and on the going concern basis which assumes the continuing support of the company's creditors and bank. No adjustments have been made to the financial statements should this support be withdrawn.

**Tangible fixed assets**

Tangible fixed assets are stated at cost less depreciation.

Depreciation has been provided to write off the cost of tangible fixed assets over their expected useful lives using the following rates:-

Property improvements	10% straight line basis
Fixtures & fittings	15% reducing balance basis
Motor vehicles	25% reducing balance basis

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

**Deferred taxation**

Deferred taxation is calculated using the liability method.

Provision is made for deferred taxation only to the extent that it is probable that an actual liability will crystallise.

**Leased assets and assets held under hire purchase**

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

The interest cost is charged over the term of the agreement using a constant periodic rate of charge or method approximating thereto.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Pension costs**

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account for the year in which they are payable to the scheme.

**HAREWOOD INTERNATIONAL LIMITED**  
**NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31ST DECEMBER 1999**

**2 Fixed assets**

	Tangible fixed assets £
<b>Cost</b>	
At 1 January 1999	161,866
Additions	32,404
Disposals	<u>(22,650)</u>
At 31 December 1999	<u>171,620</u>
<b>Depreciation</b>	
At 1 January 1999	91,616
Charge for the year	21,226
Relating to disposals	<u>(14,680)</u>
At 31 December 1999	<u>98,162</u>
<b>Net book value</b>	
At 31 December 1999	<u>73,458</u>
At 31 December 1998	<u>70,250</u>

**3 Creditors**

Included in creditors falling due within one year is a bank overdraft totalling £965,644, (1998 £752,656) which is secured.

**4 Share capital**

	1999 £	1998 £
Authorised Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

**5 Other matters**

1) The company trades from premises owned personally by R. Dhir. No rent was charged for the use of the property during the year ended 31st December 1999, (1998 - £nil).

2) Included in creditors falling due after more than one year is £250,000 in respect of a working capital loan from the Harewood International Retirement and Death Benefit Scheme of which R. Dhir is a member. During the year interest of £17,000, (1998 - £20,667), was paid to the scheme. Interest is charged at a normal commercial rate. The repayment date of the loan is 25th January 2001.