

Company registration no: 2903586

New World Holdings Limited

Report and Accounts for the seventeen months ended 31 May 1998



New World Holdings Limited

Annual Report for the seventeen months ended 31 May 1998

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Directors and advisers

Directors

E Del Neri	(resigned 14.05.97)
C Nicholai	(resigned 14.05.97)
F Santini	(resigned 14.05.97)
M Cola	(resigned 5.01.98)
E Cola	(appointed 14.05.97 resigned 5.01.98)
M Milani	(appointed 14.05.97 resigned 5.01.98)
F Caio	(appointed 14.05.97 resigned 5.01.98)
A Cuccurullo	(appointed 14.05.97 resigned 7.11.97)
J R Crathorne	(appointed 5.01.98)
J R Bates	(appointed 5.01.98)

Registered Auditors

PricewaterhouseCoopers
101 Barbirolli Square
Lower Mosley Street
Manchester
M2 3PW

Secretary and registered office

S Amin	(resigned 1.05.97)
N Parker	(appointed 1.05.97 resigned 5.01.98)
J R Bates	(appointed 5.01.098 resigned 9.03.98)
R Presley	(appointed 9.03.98)

Solicitors

Ashurst Morris Crisp
Broadwalk House
5 Appold Street
London
EC2A 2HA

Registered Office

New World House
Thelwall Lane
Warrington
Cheshire

Bankers

Bank of Scotland
Threadneedle Street
London
EC2P 2EH

Directors' report for the seventeen months ended 31 May 1998

The directors present their report and audited accounts for the seventeen month period ended 31 May 1998.

Principal Activities

The company's principal activity is that of a holding company.

Business Review

The company did not trade during the period. On 5th January 1998 the whole of the company's share capital was acquired by Stoves Group plc. Shortly after the acquisition the Company changed its financial year end from 31 December to 31 May in line with Stoves Group plc.

Directors and their interests

The directors who held office during the period are listed on page 1.

The interests of J R Crathorne and J R Bates, who are also directors of the ultimate parent company, Stoves Group plc, are shown in the report and accounts of that company.

Share capital

During the period the share capital of the Company was consolidated by converting 3,587,000 Cumulative Redeemable Preference Shares of 75p each and 467,000 Cumulative Participating Preference Shares of 10p each into Ordinary Shares of 10p each carrying the same rights as the Ordinary Shares in existence prior to the consolidation

Directors' Responsibilities

Company law requires the Directors to prepare accounts for each accounting year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the period to that date.

The directors are responsible for keeping proper accounting records which disclose the financial position of the Company with reasonable accuracy at any time and enable them to ensure that the accounts 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.

Inline with their responsibilities for preparing the accounts on a going concern basis, the directors confirm that suitable accounting policies have been applied on a consistent basis and supported by reasonable and prudent judgements and estimates and that all accounting standards which they consider to be applicable have been followed.

Auditors

Coopers & Lybrand resigned as auditors following the acquisition of the group by Stoves Group plc and the Board filled the casual vacancy by appointing Price Waterhouse. Coopers & Lybrand have stated that there are no matters connected with their ceasing to hold office which should be brought to the attention of the shareholders or creditors. Price Waterhouse merged with Coopers and Lybrand to form PricewaterhouseCoopers on 1st July 1998.

A resolution to re-appoint PricewaterhouseCoopers as auditors and authorise the Directors to fix their remuneration will be proposed at the Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'R. Prestley', with a large, stylized flourish at the end.

Roger Prestley
Company Secretary
31 March 1999

Auditors' report to the members of New World Holdings Limited

We have audited the accounts on pages 5 to 8 which have been prepared under the historical cost convention.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 May 1998 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants
and Registered Auditors

101 Barbirolli Square
Manchester
31 March 1999

**Balance sheet
at 31 May 1998**

	Notes	31 May 1998 £	31 December 1996 £
Fixed assets			
Investments	2	192,130	192,130
Current assets			
Debtors	3	3,194,704	3,194,704
Net assets		<u>3,386,834</u>	<u>3,386,834</u>
Capital and reserves			
Called up share capital	4	2,758,294	2,758,294
Share premium	5	982,538	982,538
Profit and loss account	5	(353,998)	(353,998)
	6	<u>3,386,834</u>	<u>3,386,834</u>

The company was dormant within the meaning of Section 250 (3) of the Companies Act 1985 throughout the seventeen month period ended 31 May 1998.

The accounts on pages 5 to 8 were approved by the board of directors on 31 March 1999 and were signed on its behalf by :



J R Bates
Director

**Notes to the accounts
for the seventeen months ended 31 May 1998****1. Principal accounting policies**

The principal accounting policies of the Company are set out below.

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Investments

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

Exemption from preparing consolidated accounts

The accounts contain information about New World Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 228 of the Companies Act 1985 from the requirement to prepare consolidated accounts as it and its subsidiary undertakings are included in the consolidated accounts of its ultimate parent Stoves Group plc, which are publicly available.

2. Fixed asset investments

	Investments in subsidiary undertakings £
Cost At 1 January 1997 and 31 May 1998	<u>192,130</u>

Details of investments in subsidiary undertakings is presented below:

Name of company	Shares held	Proportion of shares held	Nature of business
New World (Group) Limited	Ordinary	100%	Manufacturer of domestic appliances
New World Domestic Appliances Limited	Ordinary	100%	Sale of domestic appliances
Cobco (137) Limited	Ordinary	100%	Dormant

All the above companies are incorporated in England and Wales. The company and its subsidiaries are included in the consolidation of Stoves Group plc, a company incorporated in England and Wales.

3. Debtors

	31 May 1998 £	31 December 1996 £
Amounts due from subsidiary undertakings	<u>3,194,704</u>	<u>3,194,704</u>

4. Called up share capital

	31 May 1998 £	31 December 1996 £
Authorised		
27,583,220 (1996: 213,720) ordinary shares of 10p each	2,758,322	21,372
3,587,000 cumulative redeemable preference shares of 75p each	-	2,690,250
467,000 cumulative participating preferred ordinary shares of 10p each	-	46,700
	<u>2,758,322</u>	<u>2,758,322</u>
Allotted, called up and fully paid		
27,582,940 (1996: 213,440) ordinary shares of 10p each	2,758,294	21,344
3,587,000 cumulative redeemable preference shares of 75p each	-	2,690,250
467,000 cumulative participating preferred ordinary shares of 10p each	-	46,700
	<u>2,758,294</u>	<u>2,758,294</u>

On 5 January 1998 the share capital of the Company was consolidated by converting 3,587,000 Cumulative Redeemable Preference Shares of 75p each and 467,000 Cumulative Participating Preference Shares of 10p each into Ordinary Shares of 10p each carrying the same rights as the Ordinary Shares in existence prior to the consolidation.

All rights accruing to the Cumulative Redeemable Preference Shares of 75p each Cumulative Participating Preference Shares of 10p each were cancelled.

5. Share premium account and reserves

	Share Premium £	Profit and loss account £
At 1 January 1997 and 31 May 1998	<u>982,538</u>	<u>(353,998)</u>

6. Movement of shareholders' funds

	Equity interests £	Non-equity interests £
Opening shareholders' funds at 1 January 1997	696,584	2,690,250
Conversion of non-equity shares to equity shares	2,690,250	(2,690,250)
Closing shareholders' funds at 31 May 1998	<u>3,386,834</u>	<u>-</u>

7. Ultimate parent company

The Company considers Stoves Group plc, a company registered in England and Wales, to be its ultimate parent and controlling undertaking. A copy of the consolidated group accounts can be obtained from the Company Secretary at Stoney Lane, Prescot, Merseyside L35 2XW.