

53237

MAPPIN & WEBB LIMITED

ACCOUNTS
FOR THE 12 MONTHS ENDED
31ST MARCH 1994



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MAPPIN & WEBB LIMITED

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MAPPIN & WEBB LIMITED

DIRECTORS

J R Asprey
N I Attallah
P S Clayman
N J Harrington
A G Smith

SECRETARY

N J Harrington F.C.A.
22 Albemarle Street
LONDON
W1X 3HA

REGISTERED OFFICE

106 Regent Street
LONDON
W1R 6JH

REGISTERED NUMBER

53237

BANKERS

Lloyds Bank plc
72 Lombard Street
LONDON
EC3P 3BT

AUDITORS

Ernst & Young
Chartered Accountants
Becket House
1 Lambeth Palace Road
LONDON
SE1 7EU

Ferguson Maidment & Co
Chartered Accountants
Sardinia House
Sardinia Street
Lincolns Inn Fields
LONDON
WC2A 3LZ

MAPPIN & WEBB LIMITED
REPORT OF THE DIRECTORS

The Directors submit their Annual Report and the Audited Accounts of the Company for the year ended 31st March 1994.

REVIEW OF ACTIVITIES

The principal activities of the Company are those of retail jewellers and silversmiths and the retailing of gifts and watches.

Future prospects are reasonable but like most retailers so much depends on economic conditions and the level of consumer spending.

DIVIDEND

The Directors recommend that no dividend be paid this year. (1993 - Nil).

DIRECTORS

The Directors who have served during the period were:

Mr J R Asprey (Chairman)
Mr N I Attallah
Mr P S Clayman
Mr N J Harrington
Mr A G Smith

TANGIBLE FIXED ASSETS

The movements on tangible fixed assets during the year are set out in Note 6 to the accounts.

DISABLED PERSONS

It is the policy of the company to support the employment of disabled persons wherever practicable and to ensure that as far as possible they share in the training, career development and promotional opportunities available to all employees.

MAPPIN & WEBB LIMITED
REPORT OF THE DIRECTORS

STAFF INFORMATION AND CONSULTATION

Staff are kept fully informed of matters of interest through notice boards and staff handbook. A two-way process of informing and consulting staff operates through the line management structure.

HOLDING COMPANY

The Company is a wholly owned subsidiary of Mappin & Webb (Holdings) Limited, which in turn is a subsidiary of Asprey plc, a company registered in England and Wales.

DIRECTORS' SHAREHOLDINGS

Other than those Directors who were members of the Asprey plc Board at 31st March 1994, no Directors nor their immediate families, held an interest in the shares of Asprey plc for the period under review.

AUDITORS

Messrs Ernst & Young and Ferguson Maidment & Co. have expressed their willingness to continue in office. The Directors recommend that they be re-appointed at the next General Meeting.

Signed on behalf of the Board



N J Harrington F.C.A.
Director

Registered Office:
106 Regent Street
London
W1R 6JH

31st May 1994

MAPPIN & WEBB LIMITED
PROFIT AND LOSS ACCOUNT
for the year ended 31st March 1994

	Note	1994	1993
		£	£
Turnover	1	31,648,744	25,926,521
Change in stocks of finished goods and work in progress		1,045,385	1,618,764
Finished goods for resale		(20,747,436)	(17,711,980)
Other external charges		(444,328)	(346,459)
		(20,146,379)	(16,439,675)
Staff Costs	2	(5,063,555)	(4,908,529)
Depreciation		(675,671)	(422,452)
Other operating charges		(5,931,563)	(5,379,150)
Other Income	3	60,921	92,272
Loss on ordinary activities before taxation	4	(107,503)	(1,131,013)
Taxation	5	66,501	-
Loss on ordinary activities after taxation		(41,002)	(1,131,013)
		(41,002)	(1,131,013)
Contribution from Parent Company		41,002	1,131,013
		-	-

All of the company's operations are classed as continuing.

A statement of the movement on reserves appears as note 11 to the Financial Statements.

The company had no recognised gains or losses other than the loss for the year.

A note of the historical cost profits and losses appears as Note 16 to the Financial Statements.

MAPPIN & WEBB LIMITED
BALANCE SHEET AT 31ST MARCH 1994

	Note	31st March 1994 £	31st March 1993 £
FIXED ASSETS			
Tangible assets	6	4,348,209	4,221,065
CURRENT ASSETS			
Stocks	7	15,324,993	14,279,608
Debtors	8	2,638,451	1,936,857
Cash at bank and in hand		1,577,950	1,701,306
		19,541,394	17,917,771
CREDITORS (amounts falling due within one year)	9	(21,291,023)	(19,540,256)
NET CURRENT LIABILITIES		(1,749,629)	(1,622,485)
TOTAL ASSETS LESS CURRENT LIABILITIES		£ 2,598,580	£ 2,598,580
CAPITAL AND RESERVES			
Called up share capital	10	500,000	500,000
Revaluation reserve	11	1,275,162	1,323,162
Profit and loss account	11	823,418	775,418
		£ 2,598,580	£ 2,598,580

Accounts approved by the Board of Directors on 31st May 1994

N I Attallah

N Attallah

P S Clayman

P S Clayman

} DIRECTORS

MAPPIN & WEBB LIMITED

NOTES ON THE ACCOUNTS - 31ST MARCH 1994

1 Accounting policies

(a) Basis of accounts

The accounts, which have been drawn up under the provisions of the Companies Act 1985, are prepared under the historical cost convention, as modified by the revaluation of certain properties, and are in accordance with applicable accounting standards. The company is exempt from producing a Cash Flow Statement, as it is a wholly owned subsidiary of Asprey plc which produces a consolidated statement under Financial Reporting Standard No. 1 dealing with the cash flows of the group.

(b) Turnover

Turnover represents sales to third parties exclusive of V.A.T.

Information required under SSAP25, Segmental Reporting, has not been disclosed as in the opinion of the Directors, it would be seriously prejudicial to the interests of the business.

(c) Fixed assets and depreciation

Tangible assets:

The company's property is valued at regular intervals, and is stated on the balance sheet at valuation. Additions since valuation and all other tangible fixed assets are stated at cost.

Tangible fixed assets are depreciated at the following annual rates:-

- Long leasehold land	-
- Buildings and improvements	20-30 years
- Motor vehicles	4 years

Plant, machinery, fixtures, fittings, tools and equipment:

At various rates, generally between 8% and 25% calculated to write off these assets over their remaining useful lives from the month of the acquisition.

Leasehold properties and improvements are amortised over the period of the lease or the estimated useful life if lower.

(d) Leasing charges

Rentals payable under operating leases are written off to the profit and loss account as incurred. Future obligations under leases are dealt with by way of a note to the accounts.

MAPPIN & WEBB LIMITED
NOTES ON THE ACCOUNTS - 31ST MARCH 1994

- (e) **Deferred taxation**
 Provision is made for deferred taxation, using the liability method on short term timing differences and all other material timing differences which are not expected to continue in the future. The rates used are those anticipated for the years in which the liability is expected to arise.
- (f) **Stocks**
 Stocks are retail stocks and are valued at the lower of cost and net realisable value.
- (g) **Pensions**
 The expected cost of pensions in respect of defined benefit pension scheme is charged to the profit and loss account so as to spread the cost of pensions over the service lives of employees in the scheme. Variations from the regular cost are spread over the expected remaining service lives of current employees in the scheme. The pension cost is assessed in accordance with the advice of qualified actuaries.

2 Staff costs

The average number of persons employed by the Company (including Directors) during the year was as follows:

	1994	1993
Management	2	2
Administration	27	25
Production and sales staff	<u>268</u>	<u>288</u>
Total employees	<u>297</u>	<u>315</u>

The aggregate payroll costs of these persons were as follows:

	£	£
Wages and salaries	4,227,581	4,222,866
Social Security costs	359,017	334,538
Other pension costs	<u>476,957</u>	<u>351,125</u>
	<u>£ 5,063,555</u>	<u>£ 4,908,529</u>

The employee costs shown above include the following remuneration in respect of Directors of the Company:

Total Directors' emoluments	£ <u>153,636</u>	£ <u>147,818</u>
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Further particulars (excluding pension contributions):

Chairman	£ <u>NIL</u>	£ <u>NIL</u>
Highest paid Director	£ <u>81,768</u>	£ <u>78,308</u>

MAPPIN & WEBB LIMITED
NOTES ON THE ACCOUNTS - 31ST MARCH 1994

2 Staff costs (continued)

The following table shows the number of Directors of the Company whose remuneration (excluding Pension contributions) was within the bands stated:

		1994	1993
Up	to £5,000	3	3
£50,001	to £55,000	1	1
£75,001	to £80,000	-	1
£80,001	to £85,000	1	-

3 Other income

	£	£
Interest on bank deposit and other short term deposits	60,921	92,272
	<u>£ 60,921</u>	<u>£ 92,272</u>

4 Loss on ordinary activities before taxation

The loss on ordinary activities before taxation is stated after charging:

	£	£
Loss on disposal of fixed assets	-	6,789
Hire of plant and machinery	31,759	52,657
Auditors' remuneration - Audit	40,500	37,500
- Non Audit	<u>28,300</u>	<u>25,260</u>

5 Taxation

UK Corporation tax at 33% (1993 : 33%)	15,000	-
Over provision in respect of prior years	<u>(81,501)</u>	-
	<u>£ (66,501)</u>	<u>£ -</u>

The potential amount of deferred taxation for accelerated capital allowances at the rate of 33% is £472,537 (1993 : £426,773).

MAPPIN & WEBB LIMITED

NOTES ON THE ACCOUNTS - 31ST MARCH 1994

6 Tangible fixed assets

	Land and Building £	Plant and Machinery £	Fixtures and Fittings £	Total £
Cost or valuation				
At 1st April 1993	1,948,192	554,884	3,959,042	6,462,118
Additions	85,497	73,245	636,531	795,273
Disposals	-	(34,884)	-	(34,884)
Group Transfers	3,522	17,917	27,972	49,411
At 31st March 1994	<u>2,037,211</u>	<u>611,162</u>	<u>4,623,545</u>	<u>7,271,918</u>
Accumulated depreciation				
At 1st April 1993	287,460	300,788	1,652,805	2,241,053
Provision for the year	69,865	119,090	486,716	675,671
Disposals	-	(15,098)	-	(15,098)
Group Transfers	293	15,010	6,780	22,083
At 31st March 1994	<u>357,618</u>	<u>419,790</u>	<u>2,146,301</u>	<u>2,923,709</u>
Net book amount				
At 31st March 1994	£ <u>1,679,593</u>	£ <u>191,372</u>	£ <u>2,477,244</u>	£ <u>4,348,209</u>
At 31st March 1993	£ <u>1,660,732</u>	£ <u>254,096</u>	£ <u>2,306,237</u>	£ <u>4,221,065</u>

The long leasehold property has been revalued at 31st March 1994. As the revalued surplus is not material, the long leasehold property continues to be included at its valuation as at 31 March 1994. No provision has been made in the Accounts for capital gains tax of £245,000 as there is no intention to dispose of the property in the foreseeable future. The valuation was carried out by Messrs Richard Ellis, Chartered Surveyors, at open market value on a basis of existing use. The revaluation, attributable to the building gives rise to an annual depreciation charge of £48,000 in the profit and loss account and is also dealt with each year as a transfer within reserves (see Note 11).

Land and Buildings comprise:

	1994 £	1993 £
Long Leasehold	106,000	106,000
Short Leasehold	<u>1,573,593</u>	<u>1,554,732</u>
	£ <u>1,679,593</u>	£ <u>1,660,732</u>

Original cost and depreciation based on cost of land and buildings:-

	1994 Cost	1994 Accumulated Depreciation	1993 Cost	1993 Accumulated Depreciation
Land & Buildings	<u>£254,525</u>	<u>£44,932</u>	<u>£254,525</u>	<u>£37,702</u>

MAPPIN & WEBB LIMITED

NOTES ON THE ACCOUNTS - 31ST MARCH 1994

7 Stocks

	1994	1993
	£	£
Finished goods	£ <u>15,324,993</u>	£ <u>14,279,608</u>

8 Debtors

Trade debtors	1,146,416	1,256,942
Amounts owed by Group Companies	695,191	700
Other debtors	400,447	267,144
Prepayments and accrued income	396,397	412,071
	£ <u>2,638,451</u>	£ <u>1,936,857</u>

9 Creditors: amounts falling due within one year

Trade creditors	4,645,809	4,911,536
Amounts due to Group Companies	15,362,474	13,025,431
Other creditors	731,893	707,446
Taxation	15,000	112,397
Social security	121,112	125,653
Accruals and deferred income	414,735	657,793
	£ <u>21,291,023</u>	£ <u>19,540,256</u>

10 Called up share capital

Authorised, allotted and fully paid Ordinary shares of £10 each	£ <u>500,000</u>	£ <u>500,000</u>
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The ultimate Holding Company is Asprey plc, a company registered in England and Wales.

11 Reserves

	<u>Profit & Loss Account</u>	<u>Revaluation Reserve</u>
Reserves at 1st April 1993	775,418	1,323,162
Transfer within Reserves (see note 6)	<u>48,000</u>	<u>(48,000)</u>
Reserves at 31st March 1994	£ <u>823,418</u>	£ <u>1,275,162</u>

MAPPIN & WEBB LIMITED

NOTES ON THE ACCOUNTS - 31ST MARCH 1994

12 Directors' interests in contracts

Mr J R Asprey and Mr N I Attallah are Directors of Namara Limited. During the year, the Company contracted with Namara Limited to procure advertising and publicity services amounting to £38,329 (1993: £38,347)

13 Unprovided financial commitments

a) Lease commitments

At 31st March 1994 the company had annual commitments under non-cancellable operating leases for land and buildings expiring as follows:

	1994 £	1993 £
<u>Land & Buildings</u>		
Expiring within 1 year	-	400,000
within 2-5 years	119,000	274,000
over 5 years	1,818,000	1,080,000
<u>Plant & Machinery</u>		
Expiring within 1 year	-	13,000
within 2-5 years	5,000	2,000

b) Commitments for capital expenditure

Contracts placed	920,000	-
Contracts authorised but not yet placed	400,000	30,000

14 Contingent liability

A guarantee of £50,000 has been supplied by our bankers to H.M. Customs and Excise for deferring payments of sums due in respect of Duties and VAT on importation of goods.

MAPPIN & WEBB LIMITED

NOTES ON THE ACCOUNTS - 31ST MARCH 1994

15 Pension fund costs

During the year the Company participated in the Asprey Group Staff Pension Scheme which provides benefits based on final pensionable salary. The Scheme is funded with the assets being held by the Trustees separately from the assets of the Company. The pension costs are assessed by a qualified actuary, and are charged to the profit and loss account so as to spread those costs over employees' working lives with the Company.

The pension cost for the Company for the financial year ending 31st March 1994 was £476,957 (1993: £351,125). There is a provision for pension costs of £346,000 (1993: £322,000) in the Company's balance sheet as at 31st March 1994 arising from the accumulated difference between the contributions paid to the Scheme and the corresponding pension costs.

Information on the Asprey Group Staff Pension Scheme is contained in the Asprey Plc accounts.

16 Note of Historical Cost Profits and Losses

	1994 £	1993 £
Reported loss on ordinary activities before taxation	(107,503)	(1,131,013)
Additional depreciation charged on the revalued amount	48,000	48,000
Historical cost loss on ordinary activities before taxation	<u>£ (59,503)</u>	<u>£ (1,083,013)</u>

MAPPIN & WEBB LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE FINANCIAL STATEMENTS**

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs for the Company as at the end of the financial year and of the profit or loss for that financial year.

The Directors consider that, in preparing the financial statements on pages 4 to 12 inclusive, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable accounting standards have been followed. The financial statements have been prepared on a going concern basis.

The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

**REPORT OF THE AUDITORS
TO THE MEMBERS OF MAPPIN & WEBB LIMITED**

We have audited the accounts on pages 4 to 12 which have been prepared under the historical cost convention, as modified by the revaluation of leasehold land and buildings and on the basis of the accounting policies set out on pages 6 to 7.

Respective responsibilities of directors and auditors

As described on page 13, the company's directors are responsible for the preparation of the 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 affairs of the company as at 31st March 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ferguson Maidment & Co.
Ferguson Maidment & Co.
Chartered Accountants
and Registered Auditor

Ernst & Young
Ernst & Young
Chartered Accountants
and Registered Auditor

31st May 1994