

ROBERT DYAS LIMITED
REPORT AND ACCOUNTS
52 WEEKS ENDED 27TH MARCH 1999

Company Number 81145



ROBERT DYAS LIMITED

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52 WEEKS ENDED 27TH MARCH 1999

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ROBERT DYAS LIMITED

DIRECTORS AND ADVISERS **52 WEEKS ENDED 27TH MARCH 1999**

DIRECTORS

R A Pedder	(Chairman)
B F Wilkinson	(Chief Executive)
P Dyas OBE	(Non Executive)
P S Johnson	(Non Executive)
M J Maskey LLB	(Non Executive)
S A Rand	
M Smart FCA	

SECRETARY

G S Turner FCCA ACIS

REGISTERED OFFICE

Cleeve Court
Cleeve Road
Leatherhead
Surrey
KT22 7SD

AUDITORS

Morison Stoneham
Prudential Buildings
Epsom Road
Guildford
Surrey GU1 3JW

BANKERS

National Westminster Bank Plc
15 Bishopsgate
London
EC2P 2AP

SOLICITORS

Hyde Mahon Bridges
Swan House
37-39 High Holborn
London
WC1V 6NT

ROBERT DYAS LIMITED

CHAIRMAN'S STATEMENT

52 WEEKS ENDED 27TH MARCH 1999

The activities of the Company during the 52 weeks to 27th March 1999 continued to be affected by the fire in December 1997, which completely destroyed the Head Office and Central Warehouse facilities at Croydon. This also caused consequential difficulties in operating the business from a temporary Head Office in Leatherhead. Progress in introducing new distribution and computer systems has unfortunately taken longer than was anticipated, which also caused trading problems in our branches, but I am pleased to report that significant progress has now been made, such that our current sales are comparatively better than a year ago.

The financial statements for the 52 weeks to 27th March 1999 show a loss on ordinary activities before taxation of £1,837,000 which was after charging exceptional items of £1,331,000. The Company has received the support of its Bankers throughout the period, where there has been close control in managing the Company's cash resources within the agreed bank facilities during the year. The final balance of monies payable in respect of the insurance claim has been received. The total amount paid by Insurers was £11,250,000. In accordance with our lease obligations, construction work was commenced during March 1999 on the site at Imperial Way and it is anticipated that significant value will be generated for the Company by this redevelopment.

The restructuring of the Board, to which reference was made at the last Annual General Meeting, has now been completed. I became Chairman on 1st April 1999 and Michael Maskey stood down from the Chair but continues as a non-executive director. I would like to record appreciation on behalf of the shareholders for his efforts, undertaken in a very difficult period of the Company's history. I would like to welcome Penelope Johnson who was elected as a family representative by the Shareholder Council and appointed to the Board on 24th February 1999 as a non-executive director.

I am also pleased to welcome Stewart Rand, who was appointed as Sales and Marketing Director on 18th May 1999, having had many years of experience working in significant retail companies. Angela Tarbet resigned from the Board in April 1999 and Trevor Caffull in May 1999 and on behalf of the Board I would like to thank them for their contributions.

The appointment of Brent Wilkinson and Malcolm Smart in December 1998, together with Stewart Rand, completes the new executive team at Board level. The strengths of the new executive directors are already evident in the improving trading and financial performance of the Company, so it is from a position of gathering strength that negotiations for the necessary facilities provided by our Bankers have been concluded and extended to April 2000. This is an external sign of confidence in our ability to stabilise the business and will lead to an improvement in the value of the Company.

Your new Board is committed to the objective of restoring the trading and financial performance of the Company and in this they have been encouraged by the support of Shareholders, Staff, Customers and Suppliers.

Roger Pedder

Chairman



ROBERT DYAS LIMITED

REPORT OF THE DIRECTORS **52 WEEKS ENDED 27TH MARCH 1999**

The Directors submit their report with the audited financial statements of the Company for the 52 weeks ended 27th March 1999.

1. REVIEW OF ACTIVITIES AND FUTURE TRADING

The principal activity of the Company is the retailing of functional home and garden goods to meet the local convenience of customers at the 67 stores situated in the South of England, of which 48 are within or around the M25 motorway in good high street locations.

The Company has commenced to trade in property development and embarked on a programme to enhance asset value through the realisation of property assets. At the year end date there were two projects in progress. The site of the Croydon warehouse and former Head Office, in accordance with the obligations of the lease, is being developed and will be sold to an institutional fund. The freehold property at Maidstone is currently in the process of being sold to a development company, which will result in the Company taking a short lease and continuing to trade from part of the existing premises. The accounts reflect the transfer of these assets to development work-in-progress.

The Company has facilities with its bankers which the Directors believe will provide adequate borrowings to finance the Company's working capital requirements in the year ahead.

The Directors intend that the Company in the short term should reduce the operating loss to break even and reduce the Company's borrowings. This will provide the resources to implement the value restoration plan, with the primary focus over the next year or so to enhance income and realise value from the sale of assets.

2. DIRECTORS

The directors who served during the year were:-

R A Pedder	Chairman (from 01/04/99)
B F Wilkinson	Chief Executive (Appointed 02/12/98)
T P Caffull	(Resigned 11/05/99)
P Dyas OBE	
A A M Hosking	(Resigned 02/12/98)
P S Johnson	(Appointed 24/02/99)
S D D Johnson	(Resigned 16/09/98)
M J Maskey LLB	Chairman (to 01/04/99)
M Smart FCA	(Appointed 02/12/98)
A E Tabet	(Resigned 22/04/99)

S A Rand was appointed a director on the 18th May 1999.

In accordance with the Articles, P Dyas OBE retires by rotation and being eligible offers himself for re-election.

P S Johnson and S A Rand were appointed since the last Annual General Meeting and accordingly offer themselves for re-election.

ROBERT DYAS LIMITED

REPORT OF THE DIRECTORS

52 WEEKS ENDED 27TH MARCH 1999 - Continued

3. DIRECTORS' SHAREHOLDINGS

The directors at the balance sheet date, and their interests in the Company at that date and at the beginning of the year (or date of appointment if later) were as follows:-

	<u>Personal and Family</u>		<u>As Trustee</u>	
	27.03.99	28.03.98	27.03.99	28.03.98
T P Caffull	10,000	10,000	-	-
P Dyas OBE	1,341,850	1,419,350	1,753,840	1,753,840
P S Johnson	10,000	10,000	-	-
M J Maskey LLB	-	-	254,350	254,350
R A Pedder	-	-	-	-
M Smart FCA	-	-	-	-
A E Tarbet	10,000	10,000	-	-
B F Wilkinson	-	-	-	-

4. DIRECTORS' SHARE OPTIONS

Options may be exercised at any time from the third anniversary up to the tenth anniversary of the date of grant. The details are set out in Note 16.

5. DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the 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 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 which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements 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.

6. PROFIT AND LOSS ACCOUNT

	<u>1999</u>	<u>1998</u>
	£'000	£'000
The loss after providing for taxation is	(1,833)	(3,237)
which after adding the balance brought forward of	4,126	7,338
and a transfer from revaluation reserve of	20	25
Leaving to be carried forward	<u>2,313</u>	<u>4,126</u>

ROBERT DYAS LIMITED

REPORT OF THE DIRECTORS

52 WEEKS ENDED 27TH MARCH 1999 - Continued

7. **EMPLOYEES**

The Company has continued its policy of giving disabled people full and fair consideration for all job vacancies for which they offer themselves as suitable candidates, having regard to their particular aptitudes and abilities. Training and career development opportunities are available to all employees and the Company endeavours to retrain any member of staff who develops a disability during employment.

It has always been Company policy to encourage, whenever possible, employee involvement in the running of the Company.

8. **POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year the Company made charitable contributions of £7,453 (1998 - £22,384).

9. **YEAR 2000 AND INTRODUCTION OF SINGLE EUROPEAN CURRENCY**

The Company has embarked on an update of its financial systems. The need to update and modernise and provide capacity for growth of the business has coincided with the need to ensure Millennium compliance.

We are confident of a successful implementation of those matters arising as a result of the year 2000. In addition we anticipate making progress on the introduction of store information systems. Capital and revenue costs associated with the work will be in the region of £100,000 in the year to 1st April 2000.

We do not expect the introduction of the Single European Currency on 1st January 1999 to have any material impact on the business.

10. **AUDITORS**

The auditors, Morison Stoneham, have indicated their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

Cleeve Court
Cleeve Road
Leatherhead
Surrey KT22 7SD

22 June 1999

BY ORDER OF THE BOARD



G S TURNER FCCA ACIS
SECRETARY

ROBERT DYAS LIMITED

AUDITORS' REPORT **TO THE MEMBERS OF ROBERT DYAS LIMITED**

We have audited the financial statements on pages 7 to 22 which have been prepared under the convention and the accounting policies set out on page 11.

Respective Responsibilities of the Directors and Auditors

As described in the Directors' Report the directors are responsible for the preparation of the 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 affairs of the Company as at 27th March 1999 and of the loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



MORISON STONEHAM
Registered Auditors
Chartered Accountants

22 June 1999

Prudential Buildings
Epsom Road
Guildford
Surrey GU1 3JW

ROBERT DYAS LIMITED

PROFIT AND LOSS ACCOUNT **FOR THE 52 WEEKS ENDED 27TH MARCH 1999**

		<u>1999</u>		<u>1998</u>	
	Notes	£'000	£'000	£'000	£'000
TURNOVER	2		39,658		42,075
Cost of sales			(22,679)		(25,356)
GROSS PROFIT			16,979		16,719
Selling and distribution expenses		(16,498)		(15,976)	
Administrative expenses		(4,070)		(4,415)	
Insurance claim		<u>3,280</u>	(17,288)	<u>1,800</u>	(18,591)
OPERATING LOSS BEFORE EXCEPTIONAL ITEMS			(309)		(1,872)
Exceptional items	4		(1,331)		(1,203)
OPERATING LOSS AFTER EXCEPTIONAL ITEMS			(1,640)		(3,075)
Profit/(Loss) on disposal of fixed assets			<u>67</u>		<u>(142)</u>
			(1,573)		(3,217)
Other income		130		157	
Amounts written off investments		-		(227)	
Interest payable and similar charges	6	(394)		(498)	
			(264)		(568)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	4		(1,837)		(3,785)
Tax credit on loss on ordinary activities	7		<u>4</u>		<u>548</u>
RETAINED LOSS FOR THE FINANCIAL PERIOD	18		(1,833)		(3,237)

None of the Company's principal activities were acquired or discontinued during the above two financial years. The notes on pages 11 to 22 form part of these financial statements.

ROBERT DYAS LIMITED

PROFIT AND LOSS ACCOUNT PRIMARY STATEMENT
FOR THE 52 WEEKS ENDED 27TH MARCH 1999**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
Loss for the financial year after taxation	(1,833)	(3,237)
Unrealised surplus on revaluation of properties	880	-
Impairment of revalued properties	(55)	-
Total recognised gains and losses	<u>(1,008)</u>	<u>(3,237)</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
Reported loss on ordinary activities before taxation	(1,837)	(3,785)
Difference between historical cost depreciation charge and actual depreciation charge for the period calculated on the revalued amount	<u>20</u>	<u>20</u>
Historical cost loss on ordinary activities before taxation	<u>(1,817)</u>	<u>(3,765)</u>
Historical cost loss for the year retained after taxation	<u>(1,833)</u>	<u>(3,237)</u>

The notes on pages 11 to 22 form part of these financial statements.

ROBERT DYAS LIMITED

BALANCE SHEET AS AT 27TH MARCH 1999

		<u>1999</u>		<u>1998</u>	
	Notes	£'000	£'000	£'000	£'000
<u>FIXED ASSETS</u>					
Tangible assets	8		7,524		11,325
Investments	9		<u>38</u>		<u>-</u>
			7,562		11,325
<u>CURRENT ASSETS</u>					
Stocks	10	6,322		5,426	
Debtors	11	1,971		4,890	
Cash at bank and in hand		<u>2,245</u>		<u>732</u>	
		10,538		11,048	
<u>CREDITORS: amounts falling due within one year</u>	12	(8,395)		(12,631)	
<u>NET CURRENT ASSETS/(LIABILITIES)</u>			<u>2,143</u>		<u>(1,583)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			9,705		9,742
<u>CREDITORS: amounts falling due after more than one year</u>	13		(1,998)		(1,190)
<u>PROVISION FOR LIABILITIES & CHARGES</u>	15		<u>(463)</u>		<u>(300)</u>
			<u>7,244</u>		<u>8,252</u>
<u>CAPITAL & RESERVES</u>					
Called up share capital	16		2,851		2,851
Revaluation reserve	17		2,080		1,275
Profit and loss account	18		<u>2,313</u>		<u>4,126</u>
<u>EQUITY SHAREHOLDERS' FUNDS</u>			<u>7,244</u>		<u>8,252</u>

The financial statements were approved by the Board on 22nd June 1999 and signed on its behalf by

R A PEDDER

R A Pedder

M SMART

[Signature]

DIRECTORS

The notes on pages 11 to 22 form part of these financial statements.

ROBERT DYAS LIMITED

CASH FLOW STATEMENT
FOR THE 52 WEEKS ENDED 27TH MARCH 1999

		<u>1999</u>		<u>1998</u>	
	Notes	£'000	£'000	£'000	£'000
<u>NET CASH FLOW FROM OPERATING ACTIVITIES</u>	22		2,702		289
<u>RETURNS ON INVESTMENTS & SERVICING OF FINANCE</u>					
Other income		130		157	
Interest paid		(166)		(140)	
Interest element of finance lease rental payments		(228)		(358)	
<u>NET CASH (OUTFLOW) FROM RETURNS ON INVESTMENTS & SERVICING OF FINANCE</u>			(264)		(341)
<u>TAXATION</u>					
UK corporation tax repaid/(paid)			258		(45)
<u>CAPITAL EXPENDITURE</u>					
Payments to acquire tangible fixed assets		(382)		(1,667)	
Receipt from sale of tangible fixed assets		<u>566</u>		<u>2,092</u>	
<u>NET CASH INFLOW FROM CAPITAL EXPENDITURE</u>			184		425
<u>EQUITY DIVIDENDS PAID</u>			—		<u>(91)</u>
<u>NET CASH INFLOW BEFORE FINANCING</u>	24		2,880		237
<u>FINANCING</u>					
Capital element of finance lease (Decrease)/Increase in short term borrowing		(1,083)		(885)	
		<u>(250)</u>		<u>2,000</u>	
<u>NET CASH (OUTFLOW)/INFLOW FROM FINANCING</u>			(1,333)		<u>1,115</u>
<u>INCREASE IN CASH & CASH EQUIVALENTS</u>	23		<u>1,547</u>		<u>1,352</u>

The notes on pages 11 to 22 form part of these financial statements.

ROBERT DYAS LIMITED

NOTES FORMING PART OF THE ACCOUNTS FOR THE 52 WEEKS ENDED 27TH MARCH 1999

1. ACCOUNTING POLICIES

1.1 Accounting Convention

The accounts are prepared under the historical cost convention as modified by the revaluation of property assets and in accordance with applicable accounting standards.

1.2 Depreciation and Impairment Review

Freehold and long leasehold properties are depreciated over 50 years in accordance with Financial Reporting Standard 15.

Provisions for impairment have been made in accordance with Financial Reporting Standard 11.

Short leasehold properties are amortised on a straight line basis over the period of the individual lease. Other fixed assets are depreciated on the following basis:-

Motor vehicles	30%	Reducing Balance
Fixtures, fittings and equipment	7.5% - 33.33%	Straight Line

1.3 Stocks and Development Work in Progress

Stocks comprise goods for resale and are valued at the lower of purchase cost and estimated selling price.

Property development work in progress represents the cost of property including direct expenditure, interest and applicable outgoings associated with bringing the sites to their present condition.

1.4 Deferred Taxation

Provision for deferred taxation is only made where there is reasonable probability that timing differences will not continue in the foreseeable future.

1.5 Operating Leases

Rentals paid are charged to the profit and loss account on an accruals basis.

1.6 Hire Purchase and Finance Lease Contracts

Assets obtained under hire purchase and finance lease contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital element of the contract payment is included under creditors. The interest element of the contract obligations is charged to the profit and loss account over the period of the contract.

ROBERT DYAS LIMITED

NOTES FORMING PART OF THE ACCOUNTS **FOR THE 52 WEEKS ENDED 27TH MARCH 1999 - Continued**

1. ACCOUNTING POLICIES - Continued

1.7 Pensions

The Company operates two pension schemes. Contributions are charged to the profit and loss account as they become payable. Unfunded pension obligations are provided for on the basis of their estimated actuarial value.

1.8 Goodwill

Purchased goodwill is written off against reserves in the year of acquisition.

2. TURNOVER

Turnover represents the total amount receivable for goods sold exclusive of value added tax and is derived from the Company's principal activity in the United Kingdom.

3. EMPLOYEE INFORMATION

	<u>1999</u>	<u>1998</u>
The average number of persons employed by the Company, including directors, during the period was as follows:-		
Selling and distribution	714	772
Administration	<u>62</u>	<u>87</u>
	<u>776</u>	<u>859</u>
	<u>1999</u>	<u>1998</u>
	£'000	£'000
The aggregate payroll costs of these persons were as follows:-		
Wages and salaries	7,818	8,945
Social security costs	531	572
Other pension costs	<u>498</u>	<u>411</u>
	<u>8,847</u>	<u>9,928</u>

The 1998 figures include Dyas Retail Limited employees who were transferred to the Company on 28th March 1998.

ROBERT DYAS LIMITED

**NOTES FORMING PART OF THE ACCOUNTS
FOR THE 52 WEEKS ENDED 27TH MARCH 1999 - Continued****4. LOSS ON ORDINARY ACTIVITIES**

	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
This is stated after charging:-		
Directors' remuneration (note 5)	710	661
Auditors remuneration		
- audit fee	40	42
- other fees	66	33
Depreciation excluding impairment	1,260	1,226
Operating leases - land and buildings	<u>4,342</u>	<u>3,948</u>
Other income includes:-		
Rent receivable	78	90
Interest receivable	<u>20</u>	<u>10</u>
<u>Exceptional items</u>		
Termination, redundancy and reorganisation costs	389	653
Impairment of tangible fixed assets	853	-
Provision for unfunded pension obligations	82	300
Costs incurred in reviewing the strategic direction of the business	<u>7</u>	<u>250</u>
	<u>1,331</u>	<u>1,203</u>

5. DIRECTORS' REMUNERATION (including benefits in kind)

	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
Compensation for loss of office	245	100
Emoluments paid by the Company	446	496
Emoluments paid by subsidiary undertakings	-	18
Pension contributions	<u>19</u>	<u>47</u>
	<u>710</u>	<u>661</u>
Pension payments to a former director	<u>£ 24,639</u>	<u>£ 23,947</u>
Highest paid director		
Emoluments including compensation for loss of office	<u>£243,998</u>	<u>£166,162</u>
Contributions to money purchase scheme	<u>£ 13,285</u>	<u>£ 8,640</u>
Pensions Accruing:	Number	Number
Money purchase scheme	2	2
Defined benefit scheme	2	3

ROBERT DYAS LIMITED

NOTES FORMING PART OF THE ACCOUNTS FOR THE 52 WEEKS ENDED 27TH MARCH 1999 - Continued

6.	<u>INTEREST PAYABLE</u>	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
	Bank loans and overdrafts, and other loans wholly repayable within five years	166	140
	Finance charges payable under finance leases and hire purchase contracts	<u>228</u>	<u>358</u>
		<u>394</u>	<u>498</u>
7.	<u>TAX ON LOSS ON ORDINARY ACTIVITIES</u>	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
	UK corporation tax at 30% (1998 - 31%)	-	(273)
	Adjustment for previous period	(4)	<u>66</u>
		(4)	(207)
	Transfer to deferred taxation	-	<u>(341)</u>
		<u>(4)</u>	<u>(548)</u>
8.	<u>TANGIBLE FIXED ASSETS</u>		

	<u>Land and Buildings</u>		<u>Motor</u>	<u>Fixtures, Fittings & Equipment</u>	<u>Total</u>
	<u>Freehold</u>	<u>Leasehold</u>	<u>Vehicles</u>		
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<u>Cost or Valuation</u>					
At 28th March 1998	2,212	4,115	46	8,346	14,719
Additions	-	297	-	85	382
Revaluation	-	545	-	-	545
Transfers to stock	(1,697)	(1,396)	-	-	(3,093)
Disposals	<u>(435)</u>	<u>(31)</u>	<u>(22)</u>	<u>(51)</u>	<u>(539)</u>
At 27th March 1999	<u>80</u>	<u>3,530</u>	<u>24</u>	<u>8,380</u>	<u>12,014</u>
<u>Depreciation</u>					
At 28th March 1998	-	1,005	40	2,349	3,394
Charged in year	697	126	4	1,286	2,113
Revaluation	-	(280)	-	-	(280)
Transfers to stock	(697)	-	-	-	(697)
Disposals	<u>-</u>	<u>(1)</u>	<u>(20)</u>	<u>(19)</u>	<u>(40)</u>
At 27th March 1999	<u>-</u>	<u>850</u>	<u>24</u>	<u>3,616</u>	<u>4,490</u>
<u>Net Book Value</u>					
At 27th March 1999	<u>80</u>	<u>2,680</u>	<u>-</u>	<u>4,764</u>	<u>7,524</u>
At 28th March 1998	<u>2,212</u>	<u>3,110</u>	<u>6</u>	<u>5,997</u>	<u>11,325</u>

The long leasehold in Croydon and freehold in Maidstone have been transferred to trading stock for the property development trade commenced during the year.

ROBERT DYAS LIMITED

NOTES FORMING PART OF THE ACCOUNTS
FOR THE 52 WEEKS ENDED 27TH MARCH 1999 - Continued**8. TANGIBLE FIXED ASSETS - Continued**

	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
<u>Leasehold Land and Buildings Comprise:</u>		
Long leases	297	1,494
Short leases	<u>3,233</u>	<u>2,621</u>
	<u>3,530</u>	<u>4,115</u>
Long leases valued in 1979	100	1,160
At cost	<u>197</u>	<u>334</u>
	<u>297</u>	<u>1,494</u>
At historical cost	<u>212</u>	<u>944</u>
Short leases valued in 1979	-	1,000
Short leases valued in 1999	1,600	-
At cost	<u>1,633</u>	<u>1,621</u>
	<u>3,233</u>	<u>2,621</u>
At historical cost	<u>1,649</u>	<u>1,637</u>

Included in fixed assets are the following items held under finance leases:

	Fixtures, Fittings & Equipment	
	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
Net book value	<u>2,343</u>	<u>3,003</u>
Depreciation charged in year	<u>660</u>	<u>317</u>

The net obligation under finance leases is secured on the assets acquired.

Part of the short leasehold property was revalued at 27 March 1999 by Messrs Blair Kirkman, Chartered Surveyors, on an existing use basis at £1,600,000 and the surplus arising on this revaluation of £880,000 has been transferred to the revaluation reserve (note 17).

In addition as a result of an impairment review a long leasehold property which had previously been revalued was written down and a transfer of £55,000 made from the revaluation reserve (note 17).

ROBERT DYAS LIMITED

NOTES FORMING PART OF THE ACCOUNTS
FOR THE 52 WEEKS ENDED 27TH MARCH 1999 - Continued**9. INVESTMENTS**

	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
<u>Cost:</u>		
At 28th March 1998	-	-
Additions	<u>265</u>	-
At 27th March 1999	<u>265</u>	-
<u>Provisions:</u>		
At 28th March 1998	-	-
Provisions made during the year	<u>227</u>	-
At 27th March 1999	<u>227</u>	-
<u>Net Book Value:</u>		
At 27th March 1999	<u>38</u>	-
At 28th March 1998	<u>-</u>	<u>-</u>

<u>Name of Company and</u> <u>Class of Share</u>	<u>Country of</u> <u>Registration</u>	<u>Shareholding</u>	<u>Percentage of</u> <u>Shareholding</u>
Homesave Retailing Limited Ordinary £1 shares	England and Wales	2	100%
Dyas Retail Limited Ordinary £1 shares	England and Wales	265,000	100%

Consolidated accounts have not been prepared as the two subsidiary undertakings did not trade during the year and their inclusion is not material for the purpose of giving a true and fair view. The accounts of the subsidiary undertakings are prepared to 31st March 1999.

- 9.1 Homesave Retailing Limited did not trade during the year. The aggregate share capital and reserves was £2.
- 9.2 Dyas Retail Limited did not trade during the year. The aggregate share capital and reserves was £67,415.
- 9.3 Dyas Retail Limited issued 264,998 Ordinary Shares of £1 each during the year to the Company.

ROBERT DYAS LIMITED

NOTES FORMING PART OF THE ACCOUNTS
FOR THE 52 WEEKS ENDED 27TH MARCH 1999 - Continued**10. STOCKS**

	<u>1999</u>	<u>1998</u>
	<u>£'000</u>	<u>£'000</u>
Finished goods	5,162	5,426
Development work in progress (see below)	<u>1,160</u>	<u>-</u>
	<u>6,322</u>	<u>5,426</u>
Development work in progress		
Transferred from tangible fixed assets	2,396	-
Costs incurred during the year	160	-
Insurance receipt	(1,396)	-
At 27th March 1999	<u>1,160</u>	<u>-</u>

11. DEBTORS

	<u>1999</u>	<u>1998</u>
	<u>£'000</u>	<u>£'000</u>
Trade debtors	555	1,228
Other debtors	62	2,457
Tax recoverable	17	271
Prepayments and accrued income	<u>1,337</u>	<u>934</u>
	<u>1,971</u>	<u>4,890</u>

12. CREDITORS

Amounts falling due within one year:-

	<u>1999</u>	<u>1998</u>
	<u>£'000</u>	<u>£'000</u>
Bank loan and overdraft	-	2,034
Obligations under finance leases (note 14)	942	1,083
Trade creditors	3,788	6,534
Amounts owed to subsidiary undertakings	38	-
Other creditors	1,206	4
Taxation and social security	805	961
Accruals	<u>1,616</u>	<u>2,015</u>
	<u>8,395</u>	<u>12,631</u>

The bank loan and overdraft are secured by a fixed and floating charge of 23rd April 1997 over the assets of the Company.

ROBERT DYAS LIMITED

NOTES FORMING PART OF THE ACCOUNTS FOR THE 52 WEEKS ENDED 27TH MARCH 1999 - Continued

13. CREDITORS

Amounts falling due after more than one year:-

	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
Bank loan	1,750	-
Obligation under finance leases (note 14)	<u>248</u>	<u>1,190</u>
	<u>1,998</u>	<u>1,190</u>

There is no fixed date for repayment of the bank loan and will be repaid from assets.

The bank loan and overdraft are secured by a fixed and floating charge of 23rd April 1997 over the assets of the Company.

14. OBLIGATIONS UNDER FINANCE LEASES

The maturity of these amounts is as follows:-

	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
Amount payable within one year	1,017	1,311
Amount payable in two to five years	<u>258</u>	<u>1,275</u>
	1,275	2,586
Less: finance charge allocated to future periods	<u>(85)</u>	<u>(313)</u>
	1,190	2,273
Shown within current liabilities	<u>(942)</u>	<u>(1,083)</u>
	<u>248</u>	<u>1,190</u>

15. PROVISION FOR LIABILITIES AND CHARGES

Provision for liabilities and charges comprise below:-

	<u>Pensions</u> <u>1999</u> <u>£'000</u>	<u>Unfunded Pensions</u> <u>1999</u> <u>£'000</u>	<u>Total</u> <u>1999</u> <u>£'000</u>
Balance at 28th March 1998	-	300	300
Charge for the year	<u>106</u>	<u>57</u>	<u>163</u>
Balance at 27th March 1999	106	357	463

The deferred taxation provision and full potential liability at 30% (1998 - 31%) are as follows:-

	<u>Provision</u>		<u>Full Potential Liability</u>	
	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
Accelerated capital allowances	85	299	85	299
Short term timing differences	<u>(85)</u>	<u>-</u>	<u>(85)</u>	<u>(155)</u>
	-	299	-	144
Trading losses	-	(299)	-	(144)
Capital gains on revalued assets	<u>-</u>	<u>-</u>	<u>22</u>	<u>347</u>
	<u>-</u>	<u>-</u>	<u>22</u>	<u>347</u>

No provision has been made for tax on capital gains rolled over into other capital assets as the full potential liability is not considered likely to crystallise in the foreseeable future.

ROBERT DYAS LIMITED

NOTES FORMING PART OF THE ACCOUNTS FOR THE 52 WEEKS ENDED 27TH MARCH 1999 - Continued

16. CALLED UP SHARE CAPITAL

	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
Authorised:		
Equity interests 14,000,000 ordinary shares of 25p each	<u>3,500</u>	<u>3,500</u>

Allotted, called up and fully paid:		
Equity interests 11,405,000 (1998 - 11,405,000) ordinary shares of 25p each	<u>2,851</u>	<u>2,851</u>

Options at 25p were granted over 675,000 ordinary shares on 6th April 1992, over 125,000 ordinary shares on 30th April 1994, over 175,000 ordinary shares on 5th April 1996 and 50,000 ordinary shares on 24th February 1999. The options may be exercised at any time between the third and the tenth anniversaries of the date of the grant on payment of the option price. At 27th March 1999 options over 125,000 ordinary shares had been exercised and options over 525,000 ordinary shares had lapsed. Options over a further 300,000 ordinary shares have lapsed since 27th March 1999.

The options are held as follows:-

	<u>27th March</u> <u>1999</u>	<u>28th March</u> <u>1998</u>
Current & former directors with options:-		
B W T Appleton	-	150,000
T P Caffull	75,000	75,000
M R Hare	150,000	150,000
A A M Hosking	-	125,000
A E Tarbet	75,000	75,000
B F Wilkinson	<u>50,000</u>	-
	350,000	575,000
Other	<u>25,000</u>	<u>25,000</u>
	<u>375,000</u>	<u>600,000</u>

17. REVALUATION RESERVE

	<u>£'000</u>
Balance at 28th March 1998	1,275
Transfer to profit and loss account:	
Impairment of revalued properties	(55)
Depreciation applicable to revaluation proportion of land and buildings	(20)
Revaluations during the year	<u>880</u>
Balance at 27th March 1999	<u>2,080</u>

ROBERT DYAS LIMITED

NOTES FORMING PART OF THE ACCOUNTS FOR THE 52 WEEKS ENDED 27TH MARCH 1999 - Continued

18. PROFIT AND LOSS ACCOUNT

	£'000
Balance at 28th March 1998	4,126
Retained loss for the period	(1,833)
Transfer from revaluation reserve	<u>20</u>
Balance at 27th March 1999	<u>2,313</u>

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£'000
Balance at 28th March 1998	8,252
Revaluation of property	880
Impairment of revalued property	(55)
Loss on ordinary activities after taxation	(1,833)
Balance at 27th March 1999	<u>7,244</u>
Represented by equity interests	<u>7,244</u>

20. OPERATING LEASES

Commitments to pay rents during the next year under operating leases on land and buildings are as follows:-

	<u>1999</u> £'000	<u>1998</u> £'000
On leases expiring within:-		
one year	126	-
two to five years	765	690
over five years	<u>3,697</u>	<u>3,748</u>
	<u>4,588</u>	<u>4,438</u>

21 PENSION SCHEMES

The Company operates a defined benefit scheme known as the Robert Dyas Limited Pension and Life Assurance Scheme. The Scheme's assets are held in a separate Trust Deed Administered Fund.

The most recent actuarial valuation of the Robert Dyas Limited Pension and Life Assurance Scheme was carried out as at 1 April 1996. The method used was the Defined Accrued Benefits Method and the principal assumptions made by the actuary were that investment returns would be 9% per annum, pensionable salaries would increase at 6.5% per annum with allowance for merit increases and that pensions would increase at the rate of 3% per annum.

ROBERT DYAS LIMITED

NOTES FORMING PART OF THE ACCOUNTS **FOR THE 52 WEEKS ENDED 27TH MARCH 1999 - Continued**

21. PENSION SCHEMES - Continued

At the valuation date, the market value of the pension scheme assets totalled £6,207,000. The actuarial value of the assets represented 106% of the benefits accrued to members after making allowance being made for future salary increases. The actuarial surplus disclosed is being run off over a period of 16 years from 1 April 1996 resulting in a net Pension Charge assessed under Statement of Standard Accounting Practice 24 of 12.7% of pensionable salaries. The Company is currently paying contributions at the rate of 11% of pensionable salaries. As a result, a balance sheet provision of £106,000 has been included in respect of contributions paid since 1 April 1996.

The Company also pays ex gratia pensions to former employees amounting to £60,800 per annum.

The Company has made a provision at 27th March 1999 of £357,000 for unfunded pension contributions.

22. NET CASH FLOW FROM OPERATING ACTIVITIES

	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
Adjusted operating loss	(1,573)	(3,443)
Depreciation on fixed assets	2,113	1,226
(Gain)/Loss on sale of tangible fixed assets	(67)	142
Decrease in stock	104	1,378
Decrease/(Increase) in debtors	2,665	(2,731)
(Decrease)/Increase in creditors	(703)	3,417
Increase in provisions	163	300
	<u>2,702</u>	<u>289</u>

23. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
Increase in cash in the period	1,547	1,352
Cash outflow/(inflow) from increase in debt financing	250	(2,000)
Cash outflow from finance lease payments	1,083	885
Change in net debt resulting from cash flows	<u>2,880</u>	<u>237</u>
New finance leases	-	(1,741)
Movement in net debt in the period	<u>2,880</u>	<u>(1,504)</u>
Net debt at 28th March 1998	(3,575)	(2,071)
Net debt at 27th March 1999	<u>(695)</u>	<u>(3,575)</u>

ROBERT DYAS LIMITED

NOTES FORMING PART OF THE ACCOUNTS
FOR THE 52 WEEKS ENDED 27TH MARCH 1999 - Continued**24. ANALYSIS OF NET DEBT**

	<u>At 28th</u> <u>March</u> <u>1998</u> <u>£'000</u>	<u>Cash</u> <u>Flow</u> <u>£'000</u>	<u>Other</u> <u>Non-Cash</u> <u>Changes</u> <u>£'000</u>	<u>At 27th</u> <u>March</u> <u>1999</u> <u>£'000</u>
Cash in hand at bank	732	1,513	-	2,245
Overdrafts	(34)	34	-	-
	698	1,547	-	2,245
Finance leases	(2,273)	1,083	-	(1,190)
	(1,575)	2,630	-	1,055
Debt due in one year	(2,000)	250	1,750	-
Debt due after one year	-	-	(1,750)	(1,750)
	(3,575)	2,880	-	(695)

25. CONTINGENT LIABILITIES

At 27th March 1999 the Company had a contingent liability in respect of guarantees issued to H M Custom and Excise in connection with Value Added Tax amounting to £100,000 (1998 - £100,000).

26. CAPITAL AND FINANCIAL COMMITMENTS

At 27th March 1999, capital expenditure commitments were as follows:-

	<u>1999</u> <u>£'000</u>	<u>1998</u> <u>£'000</u>
Contracted but not provided in the accounts	<u>1,600,000</u>	<u>-</u>

In addition the Company had other financial commitments of £100,000 relating to work associated with Millennium compliance.