

G. HEYWOOD HILL LIMITED

Company No. 00318156

ANNUAL REPORT AND ACCOUNTS

for the year ended

31ST AUGUST 1994



DEREK WEBSTER & CO.

136 BAKER STREET,

LONDON. W1M 2DU

G. HEYWOOD HILL LIMITED

DIRECTORS' REPORT ON THE ACCOUNTS OF THE COMPANY  
FOR THE YEAR ENDED 31ST AUGUST 1994

The directors have pleasure in presenting the audited accounts of the company for the year.

1. RESULTS :

The profit for the year amounted to £12,247 which is added to the retained profits brought forward of £284,989 giving £297,236 retained profits to be carried forward on Profit and Loss Account. The directors do not recommend the payment of a dividend for the year.

2. REVIEW OF THE BUSINESS :

The principal activities of the company which have remained unchanged throughout the financial year, comprised the purchase and sale of both new and antiquarian books and prints.

The directors consider the results for the year to be very satisfactory given the extremely difficult economic climate.

The directors are confident about the company's future prospects.

3. DIRECTORS :

The directors who served the company, together with their interests in the ordinary share capital, during the year were :

	1994	1993
J. Saumarez-Smith	1,310	1,310
The Duke of Devonshire	20,013	20,013
E.W. Dawnay	-	-
G.K. Elliott - beneficial	-	1,748
- non-beneficial	1,748	-

4. DIRECTORS' RESPONSIBILITIES :

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those accounts, the directors are required to :

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 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.

G. HEYWOOD HILL LIMITED

DIRECTORS' REPORT ON THE ACCOUNTS OF THE COMPANY  
FOR THE YEAR ENDED 31ST AUGUST 1994

5. AUDITORS :

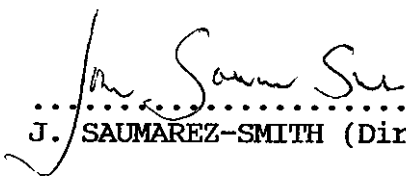
Derek Webster & Co. have expressed their willingness to continue as auditors and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

The directors have taken advantage, in the preparation of their report, of the exemptions applicable to small companies.

Registered Office :

21 Buckingham Gate,  
London.  
SW1E 6LS

Approved by the Board of Directors on  
16th November 1994 and signed on their  
behalf by :

  
.....  
J. SAUMAREZ-SMITH (Director)

G. HEYWOOD HILL LIMITED  
 PROFIT AND LOSS ACCOUNT  
 YEAR ENDED 31ST AUGUST 1994

	Note	1993/94	1992/93
		£	£
Turnover	8(a) & (b)	885,302	974,661
Change in stocks of finished goods		42,619	(4,258)
Other operating income		6,538	19,127
Other external charges		(601,081)	(629,650)
Staff costs	8(c)	(177,661)	(174,053)
Depreciation	1(b)	(3,674)	(631)
Profit on disposal of motor car		-	3,309
Other operating charges	8(e)	(135,428)	(134,195)
Profit on ordinary activities before taxation		16,615	54,310
Tax on profit on ordinary activities	1(d) & 9	4,368	9,000
Profit on ordinary activities after taxation for the financial year	6	<u>£ 12,247</u>	<u>£ 45,310</u>

All the company's activities are classified as continuing.

There are no recognised gains and losses in 1994 and 1993 other than the profit for the year.

The notes on pages 5 to 8 form an integral part of these Accounts.

G. HEYWOOD HILL LIMITED

BALANCE SHEET AT 31ST AUGUST 1994

	Notes	----- 1994 -----	----- 1993 -----
		£	£
<b>FIXED ASSETS :</b>			
Tangible Assets	1(b)&2	11,019	14,693
<b>CURRENT ASSETS :</b>			
Stock	1(c)	275,278	232,659
Debtors	3	85,086	92,328
Cash at Bank and in Hand		51,297	71,629
		-----	-----
		411,661	396,616
		-----	-----
<b>CREDITORS :</b>			
Amounts falling due within one year	4	58,644	59,520
		-----	-----
<b>NET CURRENT ASSETS</b>		353,017	337,096
		-----	-----
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>£364,036</u>	<u>£351,789</u>
		-----	-----
<b>CAPITAL AND RESERVES :</b>			
<b>CALLED UP SHARE CAPITAL</b>	5	38,800	38,800
<b>SHARE PREMIUM ACCOUNT</b>	6	28,000	28,000
<b>PROFIT AND LOSS ACCOUNT</b>	6	297,236	284,989
		-----	-----
<b>SHAREHOLDERS' FUNDS</b>	7	<u>£364,036</u>	<u>£351,789</u>
		-----	-----

The directors have taken advantage, in the preparation of the accounts, of special exemptions applicable to small companies, because in the opinion of the directors the company qualifies as a small company.

Approved by the Board of Directors on 16th November 1994  
and signed on their behalf by :

.....  ..... J. SAUMAREZ-SMITH (Director)

The notes on pages 5 to 8 form an integral part of these accounts.

G. HEYWOOD HILL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST AUGUST 1994

1. ACCOUNTING POLICIES :

a) Convention :

The accounts have been prepared in accordance with the historical cost convention. The principal accounting policies which the directors have adopted within that convention are set out below.

b) Depreciation :

Depreciation of tangible fixed assets is provided at the following rates in order to write off each asset over its estimated useful life:-

The Motor Car is depreciated by equal annual instalments over a period of four years.

Office Furniture and Equipment are depreciated at an annual rate of 20% on a reducing balance basis.

c) Stocks :

Stocks comprising goods for resale are valued by the Managing Director at lower of purchased cost and net realisable value.

d) Taxation :

The charge for taxation is based on the profit for the year calculated by reference to the current Corporation Tax. No provision for deferred taxation is required.

e) Foreign Currencies :

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

f) Pension Costs :

The company operates a defined contribution scheme, and contributions are charged in the profit and loss account as and when they are due.

g) Cash Flow Statement :

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

h) Leased Assets :

Operating lease rentals are charged to the profit and loss account as incurred.

G. HEYWOOD HILL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST AUGUST 1994

2. FIXED ASSETS :

Tangible Assets :	Motor Car	Office Furniture & Equipment	Total
Cost :			
As at 1.9.93 and 31.8.94	13,585	4,202	17,787
	-----	-----	-----
Depreciation :			
As at 1.9.93	283	2,811	3,094
Charge for year	3,396	278	3,674
	-----	-----	-----
As at 31.8.94	3,679	3,089	6,768
	-----	-----	-----
Net Book Value :			
At 31.8.94	£ 9,906	£ 1,113	£11,019
	=====	=====	=====
At 31.8.93	£13,302	£ 1,391	£14,693
	=====	=====	=====

3. DEBTORS :

	31.8.94	31.8.93
Trade Debtors	80,905	78,296
Prepayments	3,935	4,880
Other Debtors	246	9,152
	-----	-----
	£85,086	£92,328
	=====	=====

4. CREDITORS :

	31.8.94	31.8.93
Amounts falling due within one year :		
Trade Creditors	35,480	31,039
Tax and Social Security	8,087	8,463
Corporation Tax	4,400	9,000
Other Creditors and Accruals	10,677	11,018
	-----	-----
	£58,644	£59,520
	=====	=====

G. HEYWOOD HILL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST AUGUST 1994

5. SHARE CAPITAL :	1994	1993
Authorised :		
40,000 ordinary shares of £1 each	<u>£40,000</u>	<u>£40,000</u>
Allotted & Fully Paid :		
38,800 ordinary shares of £1 each	<u>£38,800</u>	<u>£38,800</u>
6. STATEMENT OF RESERVES :	----- 1994 -----	
	Share Premium Account	Profit and Loss Account
As at 1.9.93	28,800	284,989
Retained profit for the year	-	12,247
As at 31.8.94	<u>£28,000</u>	<u>£297,236</u>
7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS :	1994	1993
Profit for the financial year	<u>12,247</u>	<u>45,310</u>
Net addition to shareholders' funds	12,247	45,310
Opening shareholders' funds	<u>351,789</u>	<u>306,479</u>
Closing shareholders' funds	<u>£364,036</u>	<u>£351,789</u>
8. PROFIT AND LOSS ACCOUNT :		
a) Turnover represents the invoiced amount of goods sold net of Value Added Tax.		
b) Analysis of Turnover :	1993/94	1992/93
United Kingdom	354,121	389,864
Overseas	<u>531,181</u>	<u>584,797</u>
	<u>£885,302</u>	<u>£974,661</u>



G. HEYWOOD HILL LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST AUGUST 1994

PROFIT AND LOSS ACCOUNT (continued) :

c) Staff costs :	1993/94	1992/93
Directors' Remuneration	45,000	44,500
Director's Pension Costs	8,750	8,750
Life Assurance Premiums	840	840
Salaries	105,967	103,382
Social Security Costs	15,204	14,681
Staff Pension Costs	1,900	1,900
	<u>£177,661</u>	<u>£174,053</u>

d) The aggregate emoluments of the Directors, including pension contributions, were £60,814 (1992/93 £59,384).

e) Other operating charges include auditors' remuneration of £3,700 (1992/93 £3,600), and operating lease charges in respect of land and buildings of £35,000 (1992/93 £35,000).

9. TAXATION :

Corporation Tax is provided on the profit on ordinary activities as follows :

	1993/94	1992/93
Current year at 25%	4,400	9,000
Overprovision in previous year	(32)	-
	<u>£ 4,368</u>	<u>£ 9,000</u>

10. COMMITMENTS UNDER OPERATING LEASES :

Land and Buildings :

	1993/94	1992/93
Leases expiring beyond five years	<u>£35,000</u>	<u>£35,000</u>

## AUDITOR'S REPORT

### AUDITOR'S REPORT TO THE MEMBERS OF G. HEYWOOD HILL LIMITED

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

#### 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 judgments made by the directors in the preparation of the financial statements, and 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. However, the evidence available to us was limited because at 31st August 1994 the company's stock amounted to £275,278 and the company's turnover included cash sales of £48,514, over which there was no system of control on which we could rely for the purposes of our audit. There were no other satisfactory audit procedures that we could adopt to confirm that the stock and cash sales were properly recorded. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### Qualified Opinion arising from Limitation in Audit Scope :

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning stock and cash sales, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st August 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

In respect alone of the limitation on our work relating to stock and cash sales we have not obtained all the information and explanations that we considered necessary for the purposes of our audit and we were unable to determine whether proper accounting records had been maintained.

*Derek Webster & Co.*

DEREK WEBSTER & CO.  
Chartered Accountants  
& Registered Auditors,  
136 Baker Street,  
London. W1M 2DU

Date : 16th November 1994