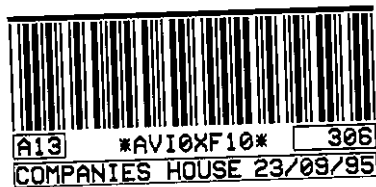


DREAMLAND APPLIANCES LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1994

Registration Number: 713656



DREAMLAND APPLIANCES LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 1994

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DIRECTORS' REPORT**YEAR ENDED 31 DECEMBER 1994**

The directors have pleasure in submitting their report and the audited financial statements of the company for the year ended 31 December 1994.

RESULTS AND DIVIDENDS

The results for the year are shown in the profit and loss account on page 5.

The directors do not recommend the payment of a dividend.

REVIEW OF ACTIVITIES AND FUTURE DEVELOPMENTS

The company's principal activity during the period was the manufacture and sale of electric blankets and other small domestic electrical appliances.

The company expects to continue its operations in these markets.

DIRECTORS

The following directors served throughout the year:-

D W Allen
D P Goddard
C F C Stewart - resigned on 6 January 1995
D O'Brien
Westminster Securities Limited
Williams Management Services Limited

The following director served for part of the period:-

K Meredith - resigned on 21 September 1994.

DIRECTORS INTERESTS

None of the directors had any interest in the share capital of the company or any other subsidiary of Williams Holdings PLC.

The directors' interests in the share capital of the company's ultimate holding company are:-

	Ordinary shares of 25p each			
	At 1 January 1994		At 31 December 1994	
	Shares	Options	Shares	Options
D O'Brien	300	9,816	300	9,978
D P Goddard	1,500	168,108	1,714	225,386
D W Allen	-	-	-	-

DIRECTORS' INTERESTS IN CONTRACTS

During the year, none of the directors had any material interest in any contract of significance in relation to the company's business.

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 1994

FIXED ASSETS

The movements in fixed assets are shown in note 9 to the financial statements.

HEALTH AND SAFETY

The company's policy is to ensure that, as far as is reasonably practicable, there is a working environment which will minimise the risk to the health and safety of its employees or persons on its premises.

EMPLOYMENT OF DISABLED PERSONS

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person.

EMPLOYEE INVOLVEMENT

Regular meetings are held with employees' representatives, at which the position of the company is fully discussed.

RESEARCH AND DEVELOPMENT

The company continues to commit resources to research and development where this activity is necessary to the evolution of its business, and in order to keep it technologically in the forefront of the market place.

DONATIONS

The company has not made any political donations during the year. Charitable donations were nominal in amount.

AUDITORS

As a consequence of an elective resolution passed by the members on 8 October 1991, the duly appointed auditors, Pannell Kerr Forster, will continue in office until further notice.

On behalf of the board

D W Allen
Director



Date

30 / 3 / 1995

DIRECTORS' RESPONSIBILITIES

For the preparation of financial statements

The following statement, which should be read in conjunction with the auditors' statement of auditors' responsibilities set out on page 4, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to 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 of the company as at the end of the financial year and of the profit or loss for the financial year.

The directors consider that in preparing the financial statements on a going concern basis, the company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

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 the Companies Act 1985.

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

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
DREAMLAND APPLIANCES LIMITED**

We have audited the financial statements on pages 5 to 13 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 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. 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 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Manchester

3 April 1995

Pannell Kerr Forster
Chartered Accountants
Registered Auditors

DREAMLAND APPLIANCES LIMITED

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PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 1994

	Notes	1994 £'000	1993 £'000
Turnover	2	16,237	15,188
Cost of sales		<u>(12,066)</u>	<u>(10,248)</u>
Gross profit		4,171	4,940
Net operating expenses	3	<u>(3,261)</u>	<u>(3,369)</u>
OPERATING PROFIT		910	1,571
Interest payable	6	<u>(53)</u>	<u>(67)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX	7	857	1,504
Tax on profit on ordinary activities	8	1	(272)
RETAINED PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS	17	<u>858</u>	<u>1,232</u>

All amounts relate to continuing operations.

The company has no recognised gains or losses or movements in shareholders' funds other than the retained profit for the financial year.

DREAMLAND APPLIANCES LIMITED

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BALANCE SHEET AT 31 DECEMBER 1994

	Notes	1994 £'000	1993 £'000
FIXED ASSETS			
Tangible assets	9	1,385	1,357
Investments	10	<u>4,722</u>	<u>4,722</u>
		<u>6,107</u>	<u>6,079</u>
CURRENT ASSETS			
Stocks	11	3,043	1,185
Debtors	12	2,470	3,324
Cash at bank and in hand		<u>4,027</u>	<u>2,230</u>
		9,540	6,739
CREDITORS: amounts falling due within one year	13	<u>(4,487)</u>	<u>(4,143)</u>
NET CURRENT ASSETS		<u>5,053</u>	<u>2,596</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		11,160	8,675
CREDITORS: amounts falling due after more than one year	14	(2,803)	(1,232)
PROVISIONS FOR LIABILITIES AND CHARGES	15	<u>(153)</u>	<u>(97)</u>
NET ASSETS		<u>8,204</u>	<u>7,346</u>
CAPITAL AND RESERVES			
Called up share capital	16	10,722	10,722
Profit and loss account	17	<u>(2,518)</u>	<u>(3,376)</u>
EQUITY SHAREHOLDERS' FUNDS		<u>8,204</u>	<u>7,346</u>

Approved by the board of directors on 30 March 1995 and signed on its behalf by:

D W ALLEN



Director

D O'BRIEN



Director

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

1 ACCOUNTING POLICIES**Basis of Accounting**

The financial statements have been prepared in accordance with the historical cost convention and comply with applicable accounting standards.

Turnover

Turnover is the invoice value of goods and services supplied, excluding VAT.

Tangible Fixed Assets

Depreciation on fixed assets is calculated to write off their cost or valuation over their expected useful lives at the following annual rates using the straight line method.

Short leasehold	12%
Plant, equipment and vehicles	10% - 33 1/3%

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes attributable overheads where appropriate. Net realisable value is the estimated selling price reduced by all costs of completion, marketing, selling, and distribution.

Research and Development

Expenditure on research and development is written off in the year in which it is incurred.

Deferred Taxation

Deferred taxation is provided in respect of timing differences except where the liability is not expected to arise in the foreseeable future.

Foreign Exchange

Assets and liabilities denominated in overseas currencies are translated into sterling at the rates ruling at the balance sheet date. Individual transactions are translated into sterling at the rate of exchange ruling on the date of the transaction. All exchange differences are included in the profit and loss account.

Operating leases

Leasing charges in respect of operating leases are recognised in the profit and loss account over the lives of the lease agreement as incurred.

Pension Costs

The majority of the company's employees are members of the Williams Holdings Pension Plan. This plan is funded by contributions partly from the employees and partly from the company at rates determined by an independent actuary. These contributions are invested separately from the company's assets. The pension costs comprise regular cost less variations calculated in accordance with Statement of Standard Accounting Practice No. 24.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

2 TURNOVER

By geographical destination

	1994 £'000	1993 £'000
United Kingdom	14,043	12,167
Rest of Europe	2,150	2,980
Rest of the world	44	41
	<u>16,237</u>	<u>15,188</u>

3 NET OPERATING EXPENSES

Distribution costs	237	203
Administrative expenses	3,088	3,219
Other operating income	(64)	(53)
	<u>3,261</u>	<u>3,369</u>

4 EMPLOYEES

Average number of employees by activity:

	Number	Number
Production	186	161
Selling and distribution	8	8
Administration	11	17
	<u>205</u>	<u>186</u>

Employment costs:

	£'000	£'000
Wages and salaries	2,301	2,027
Social security costs	181	162
	<u>2,482</u>	<u>2,189</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

5 DIRECTORS' EMOLUMENTS

	1994 £'000	1993 £'000
Directors' emoluments including pension contributions	<u>203</u>	<u>237</u>
Compensation for loss of office	<u>15</u>	<u>-</u>
Compensation for loss of office is the amount paid to K Meredith on his resignation		
Directors' emoluments excluding pension contributions:		
Highest paid director	<u>62</u>	<u>61</u>
Other directors' emoluments:	Number	Number
£nil to £5,000	4	4
£5,001 to £10,000	-	1
£30,001 to £35,000	1	-
£45,001 to £50,000	2	1
£60,001 to £65,000	<u>-</u>	<u>2</u>

6 INTEREST PAYABLE

	£000	£000
Interest payable to other group undertakings	<u>53</u>	<u>67</u>

7 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities before taxation is stated after charging:

Depreciation of tangible fixed assets	247	177
Operating lease rentals - land and buildings	78	66
- plant and machinery	9	10
Auditors' remuneration	11	11
Non audit fees paid to Pannell Kerr Forster	1	1
Research and development	212	222
Government grant received	<u>-</u>	<u>(48)</u>

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

Corporation tax at 33%	237	405
Deferred taxation	48	124
Adjustments in respect of previous years -corporation tax	(294)	(214)
-Deferred tax	<u>8</u>	<u>(43)</u>
	<u>(1)</u>	<u>272</u>

The adjustment in respect of previous years arose principally as a result of ACT surrendered.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

9 FIXED ASSETS-TANGIBLE

	Short Leasehold £'000	Plant, Equipment and Vehicles £'000	Total £'000
Cost or valuation			
At 1 January 1994	78	1,840	1,918
Additions	43	244	287
Disposals	-	(21)	(21)
At 31 December 1994	<u>121</u>	<u>2,063</u>	<u>2,184</u>
Depreciation			
At 1 January 1994	12	549	561
Charge for the year	33	214	247
Eliminated on disposal	-	(9)	(9)
At 31 December 1994	<u>45</u>	<u>754</u>	<u>799</u>
Net book value			
At 31 December 1994	<u>76</u>	<u>1,309</u>	<u>1,385</u>
At 1 January 1994	<u>66</u>	<u>1,291</u>	<u>1,357</u>

Depreciation is provided on all fixed assets at the rates shown in note 1.

10 FIXED ASSETS INVESTMENTS

	£'000
Investment in subsidiary undertaking at cost	
At 1 January 1994 and at 31 December 1994	<u>4,722</u>

At 31 December 1994, the company directly owned the whole of the issued share capital of Breville Europe Limited.

The subsidiary is registered in England and did not trade at the balance sheet date.

The company is a wholly owned subsidiary of Williams Holdings Plc, a company registered in England, and, as permitted by S228 of the Companies Act 1985, group financial statements have not been prepared.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

11 STOCKS

	1994 £'000	1993 £'000
Raw materials and consumables	356	445
Work in progress	213	216
Finished goods	2,474	524
	<u>3,043</u>	<u>1,185</u>

12 DEBTORS

Trade debtors	2,013	2,958
Amounts owed by group undertakings	123	180
Prepayments and accrued income	334	186
	<u>2,470</u>	<u>3,324</u>

13 CREDITORS: Amounts falling due within one year

Trade creditors	2,705	1,852
Amounts owed to subsidiary undertakings	956	956
Amounts owed to group undertakings	43	32
Corporation tax	231	434
Other taxation and social security	414	631
Other creditors	33	114
Accruals and deferred income	105	124
	<u>4,487</u>	<u>4,143</u>

14 CREDITORS: Amounts falling due after more than one year

Amounts owed to group undertakings	<u>2,803</u>	<u>1,232</u>
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

15 PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £'000
At 1 January 1994	97
Charged to profit and loss account	<u>56</u>
At 31 December 1994	<u>153</u>

Deferred taxation has been fully provided and comprises:

	1994 £'000	1993 £'000
Accelerated capital allowances	135	83
Short term timing differences	<u>18</u>	<u>14</u>
Amount provided	<u>153</u>	<u>97</u>

16 SHARE CAPITAL

	1994 £'000	1993 £'000
Authorised:		
11,500,000 ordinary shares of £1 each	<u>11,500</u>	<u>11,500</u>
Allotted, called up and fully paid:		
10,722,000 ordinary shares of £1 each	<u>10,722</u>	<u>10,722</u>

17 RESERVES

	Profit and loss account £'000
At 1 January 1994	(3,376)
Profit for the year	<u>858</u>
At 31 December 1994	<u>(2,518)</u>

18 COMMITMENTS

Operating Leases

Operating lease rentals are expensed as the payments become due. The annual commitments under non-cancellable operating leases are:

	1994		1993	
	Land and Buildings £'000	Other Assets £'000	Land and Buildings £'000	Other Assets £'000
Expiring between two and five years	<u>78</u>	<u>8</u>	<u>-</u>	<u>8</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 1994

19 CONTINGENT LIABILITIES

The company is a party to a group arrangement with its bankers whereby it has guaranteed the overdraft of Williams Holdings PLC to a maximum amount of its bank balance from time to time.

20 PENSIONS

The majority of the company's employees are members of the Williams Holdings Pension Plan, which is the principal pension plan operated for employees of the Williams Holdings PLC group. This plan is of the defined benefit type, and costs are assessed with the advice of a qualified actuary using the projected unit method.

The contributions made by the company are based on pension costs across the Williams Holdings PLC group as a whole.

The actuarial method used, the description of the main actuarial assumptions, and the results of the most recent formal valuation including the level of funding are included in the financial statements of Williams Holdings PLC for the year ended 31 December 1994.

21 ULTIMATE HOLDING COMPANY

The company's ultimate holding company is Williams Holdings PLC, a company registered in England. Copies of the Williams Holdings PLC group financial statements may be obtained from :

The Secretary,
Williams Holdings PLC,
Pentagon House,
Sir Frank Whittle Road,
Derby.