

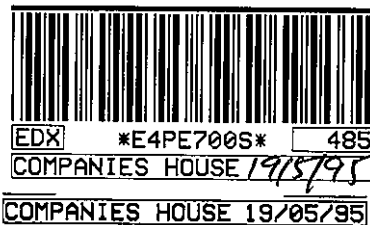
REGISTRAR OF COMPANIES COPY

REGISTERED NUMBER: 823931

HOWLAND WEST LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1994



GOLDWYNS
CHARTERED ACCOUNTANTS
RUTLAND HOUSE
90/92 BAXTER AVENUE
SOUTHEND-ON-SEA
ESSEX SS2 6HZ

REGISTERED NUMBER: 823931

HOWLAND WEST LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1994

HOWLAND WEST LIMITED

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HOWLAND WEST LIMITED

COMPANY INFORMATION

DIRECTORS: J. RUPPIN
D. HAFLER
A. ZAGURY
A. TOLEDANO

SECRETARY: A. ALLENSTEIN

TRADING ADDRESS: 167-171 WILLOUGHBY LANE
BRANTWOOD INDUSTRIAL AREA
LONDON
N17 0SB

REGISTERED NUMBER: 823931

AUDITORS: GOLDWYNS
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
RUTLAND HOUSE
90/92 BAXTER AVENUE
SOUTHEND-ON-SEA
ESSEX SS2 6HZ

HOWLAND WEST LIMITED

REPORT OF THE DIRECTORS

The directors present their report with the financial statements of the company for the year ended 31 December 1994.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of professional audio and visual equipment wholesalers.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS AND TRANSFERS TO RESERVES

Interim dividends were paid as follows:

£1 "A" Ordinary shares	£5.33 per share - 31 December 1994
£1 "B" Ordinary shares	£5.33 per share - 31 December 1994
£1 "C" Ordinary shares	£5.33 per share - 31 December 1994

The directors recommend that no final dividends be paid.

The total distribution of dividends for the year ended 31 December 1994 will be £62,000 and the retained profit transferred to reserves will be £127,425.

DIRECTORS

The directors of the company in office during the year and their beneficial interests in the issued share capital were as follows:

Name	Class of Capital	31.12.94	1. 1.94
J. RUPPIN	"A" Ordinary £1	3,375	3,375
D. HAFLER	"A" Ordinary £1	4,125	4,125
A. ZAGURY		-	-
A. TOLEDANO		-	-

In accordance with the Articles of Association, A. ZAGURY will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

FIXED ASSETS

The movement in fixed assets is summarised in the attached financial statements.

STATEMENT OF 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 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 judgments 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.

HOWLAND WEST LIMITED

REPORT OF THE DIRECTORS

AUDITORS

The auditors, GOLDWYNS, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

.....
A. ALLENSTEIN - SECRETARY

Dated:

12/5/95

HOWLAND WEST LIMITED

REPORT OF THE AUDITORS TO
HOWLAND WEST LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages five to seventeen together with the full financial statements of HOWLAND WEST LIMITED prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1994.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page seven and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section B of Part III of Schedule 8 to that Act, in respect of the year ended 31 December 1994, and the abbreviated financial statements on pages six to seventeen have been properly prepared in accordance with that Schedule.

Other information

On 12TH MAY 1995 we reported, as auditors of HOWLAND WEST LIMITED, to the shareholders on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1994, and our audit report was as follows:

"We have audited the financial statements on pages five to sixteen which have been prepared under the historical cost convention and the accounting policies set out on page ten.

Respective responsibilities of directors and auditors

As described on page two 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 of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

HOWLAND WEST LIMITED

REPORT OF THE AUDITORS TO
HOWLAND WEST LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

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.

Qualified opinion arising from disagreement about accounting treatment

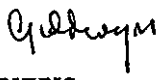
The company has not made a provision for the depreciation of its freehold buildings. This is not in accordance with the requirements of Statement of Standard Accounting Practice No.12 and of Schedule 4 to the Companies Act 1985. In our opinion a provision of £10,848 should have been made. The effect of the company's accounting policy has been to overstate the company's profits before and after tax by this amount.

Except for the absence of this provision, in our opinion the financial statements give a true and fair view of the state of the company's affairs 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."

Distributions

In our opinion, the subject matter of the above qualification is not material for determining, by reference to these financial statements, whether the distribution (interim dividend for the year ended 31 December 1994) of £62,000 proposed by the company is permitted under Section 270 of the Companies Act 1985.

RUTLAND HOUSE
90/92 BAXTER AVENUE
SOUTHEND-ON-SEA
ESSEX SS2 6HZ


GOLDWYNS
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

Dated: 12TH MAY 1995

HOWLAND WEST LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 1994

	Notes	1994		1993	
		£	£	£	£
GROSS PROFIT			1,403,042		1,289,598
Distribution Costs		352,671		335,653	
Administrative Expenses		781,895		682,612	
			<u>1,134,566</u>		<u>1,018,265</u>
OPERATING PROFIT	3		268,476		271,333
Interest Receivable	4		3,404		6,171
			<u>271,880</u>		<u>277,504</u>
Interest Payable and Similar Charges	5		16,354		28,393
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			255,526		249,111
Tax on Profit on Ordinary Activities	6		66,101		34,673
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			189,425		214,438
Dividends	7		62,000		65,625
			<u>127,425</u>		<u>148,813</u>
Retained Profit brought forward			1,118,871		970,058
RETAINED PROFIT CARRIED FORWARD			<u>£1,246,296</u>		<u>£1,118,871</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

HOWLAND WEST LIMITED

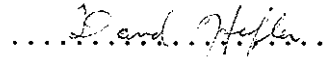
ABBREVIATED BALANCE SHEET
As at 31 December 1994

		1994		1993	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible Assets	8		730,665		716,498
CURRENT ASSETS:					
Stocks	9	528,636		493,434	
Debtors	10	756,010		551,663	
Cash at Bank and In Hand		55,606		110,392	
		1,340,252		1,155,489	
CREDITORS: Amounts falling due within one year	11	669,871		517,194	
NET CURRENT ASSETS:			670,381		638,295
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,401,046		1,354,793
CREDITORS: Amounts falling due after more than one year	12		(68,750)		(149,922)
PROVISIONS FOR LIABILITIES AND CHARGES:	16		(71,000)		(71,000)
			<u>£1,261,296</u>		<u>£1,133,871</u>
CAPITAL AND RESERVES:					
Called Up Share Capital	17		15,000		15,000
Profit & Loss Account			1,246,296		1,118,871
Shareholders' Funds	20		<u>£1,261,296</u>		<u>£1,133,871</u>

Advantage has been taken of the exemptions conferred by Section B of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the opinion of the directors, the company is entitled to the benefit of those exemptions as a medium-sized company.

ON BEHALF OF THE BOARD:

 J. RUPPIN - DIRECTOR

 D. HAFLER - DIRECTOR

Approved by the Board on 12/5/95

HOWLAND WEST LIMITED

CASH FLOW STATEMENT
for the Year Ended 31 December 1994

	1994		1993	
	£	£	£	£
Net Cash Inflow from Operating Activities		125,628		368,325
Returns on Investments and Servicing of Finance				
Interest Received	3,404		6,171	
Interest Paid	(16,354)		(28,393)	
Dividends Paid	(62,000)		(65,625)	
Net Cash Outflow from Returns on Investments and Servicing of Finance		(74,950)		(87,847)
Taxation				
Corporation Tax Paid	(38,207)		(69,719)	
Tax Paid		(38,207)		(69,719)
Investing Activities				
Purchase of Tangible Fixed Assets	(77,016)		(708,247)	
Sale of Tangible Fixed Assets	12,200		225,324	
Net Cash Outflow from Investing Activities		(64,816)		(482,923)
Net Cash Outflow before Financing		(52,345)		(272,164)
Financing				
Loan Repayments	(106,486)		(171,763)	
Cash Inflow from further Loans	100,000		400,000	
Net Cash (Outflow)/Inflow from Financing		(6,486)		228,237
Decrease in Cash and Cash Equivalents		£(58,831)		£(43,927)

The notes form part of these financial statements

HOWLAND WEST LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 December 1994

1. RECONCILIATION OF OPERATING PROFIT
TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1994 £	1993 £
Operating Profit	268,476	271,333
Depreciation Charges	52,359	51,138
Loss on Sale of Fixed Assets	650	2,880
Profit on Sale of Fixed Assets	(2,363)	(78,196)
(Increase)/Decrease in Stocks	(35,202)	27,346
(Increase)/Decrease in Debtors	(204,347)	68,098
Increase in Creditors	46,055	25,726
	<u> </u>	<u> </u>
Net Cash Inflow from Operating Activities	125,628	368,325
	<u> </u>	<u> </u>

2. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

Year Ended 31 December 1994

	£
Balance at 1 January 1994	110,392
Net Cash Outflow	(58,831)
	<u> </u>
Balance at 31 December 1994	51,561
	<u> </u>

Year Ended 31 December 1993

	£
Balance at 1 January 1993	154,319
Net Cash Outflow	(43,927)
	<u> </u>
Balance at 31 December 1993	110,392
	<u> </u>

3. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN
THE BALANCE SHEET

Year Ended 31 December 1994

	31.12.94	1. 1.94	Change in Year
	£	£	£
Cash at Bank and In Hand	55,606	110,392	(54,786)
Bank Overdrafts	(4,045)	-	(4,045)
	<u> </u>	<u> </u>	<u> </u>
	51,561	110,392	(58,831)
	<u> </u>	<u> </u>	<u> </u>

The notes form part of these financial statements

HOWLAND WEST LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 December 1994

Year Ended 31 December 1993

	31.12.93	1. 1.93	Change in Year
	£	£	£
Cash at Bank and In Hand	<u>110,392</u>	<u>154,319</u>	<u>(43,927)</u>

4. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

Year Ended 31 December 1994

	Bank Loan	Other Loans
	£	£
Balance at 1 January 1994	200,000	102,777
Loan Repayments	(106,250)	(236)
Other Loans Received	—	100,000
	<u> </u>	<u> </u>
Balance at 31 December 1994	<u>93,750</u>	<u>202,541</u>

Year Ended 31 December 1993

	Bank Loan	Other Loans
	£	£
Balance at 1 January 1993	3,333	71,207
Loan Repayments	(3,333)	(168,430)
Other Loans Received	200,000	200,000
	<u> </u>	<u> </u>
Balance at 31 December 1993	<u>200,000</u>	<u>102,777</u>

HOWLAND WEST LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS for the Year Ended 31 December 1994

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold Property	- not provided
Plant & Machinery	- 10% on cost
Fixtures & Fittings	- 10% on cost
Motor Vehicles	- 25% on cost
Computer Equipment	- 33% on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire Purchase and Leasing Commitments

Rentals paid under operating leases are charged to income as incurred.

Pension Costs

The company operates a fully insured defined contribution pension scheme. The premiums paid in the period are charged to the financial statements.

HOWLAND WEST LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS for the Year Ended 31 December 1994

2. STAFF COSTS

	1994	1993
	£	£
Wages and Salaries	553,199	514,468
Social Security Costs	60,541	55,013
Other Pension Costs	45,078	35,584
	<u>658,818</u>	<u>605,065</u>

The average weekly number of employees during the year was as follows:

	1994	1993
Office and Administration	9	9
Selling and Distribution	17	17
Service and Repair	3	3
	<u>29</u>	<u>29</u>

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	1994	1993
	£	£
Depreciation - Owned Assets	52,360	51,138
Profit on Disposal of Fixed Assets	(1,713)	(75,316)
Auditors' Remuneration	7,300	7,300
Hire of Plant and Machinery	1,940	1,940
Difference on Exchange	70,929	75,444
	<u>81,302</u>	<u>71,207</u>
Directors' Emoluments (see below)	<u>81,302</u>	<u>71,207</u>

Details of individual emoluments, excluding pension contributions, were as follows:

	1994	1993
	£	£
Chairman	46,982	46,981

These emoluments are included in the information which follows.

The directors' emoluments, excluding pension contributions, fell within the following ranges:

	1994	1993
£Nil - £5,000	3	3
£45,001 - £50,000	1	1

4. INTEREST RECEIVABLE

	1994	1993
	£	£
Deposit Account Interest	<u>3,404</u>	<u>6,171</u>

HOWLAND WEST LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS for the Year Ended 31 December 1994

5. INTEREST PAYABLE AND SIMILAR CHARGES

	1994	1993
	£	£
Bank Loans, Overdrafts and Other Loans repayable within five years:		
otherwise than by instalments	16,354	28,393
	<u>16,354</u>	<u>28,393</u>

6. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	1994	1993
	£	£
Based on the adjusted results of the year:		
UK Corporation Tax	64,701	36,807
Under/(Over) Provision	1,400	(2,134)
	<u>66,101</u>	<u>34,673</u>

UK Corporation Tax has been charged at 33% (1993 - 25%).

7. DIVIDENDS

	1994	1993
	£	£
Equity shares:		
7,500 "A" Ordinary shares of £1 each Interim	22,000	28,125
3,000 "B" Ordinary shares of £1 each Interim	16,000	15,000
4,500 "C" Ordinary shares of £1 each Interim	24,000	22,500
	<u>62,000</u>	<u>65,625</u>

The following dividend waiver was received for the interim dividend:

	1994	1993
	£	£
J. Ruppin	18,000	9,375
	<u>18,000</u>	<u>9,375</u>

Had the dividend waiver not taken place the total dividend distribution for the year would have been £80,000 (1993 £75,000).

HOWLAND WEST LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 December 1994

8. TANGIBLE FIXED ASSETS

	Freehold Property	Plant & Machinery	Fixtures & Fittings
	£	£	£
COST:			
As at 1 January 1994	542,379	13,930	180,519
Additions	—	10,144	13,173
Disposals	—	—	(1,745)
As at 31 December 1994	542,379	24,074	191,947
DEPRECIATION:			
As at 1 January 1994	—	12,927	73,751
Charge for Year	—	1,280	14,025
Eliminated on Disposals	—	—	(1,094)
As at 31 December 1994	—	14,207	86,682
NET BOOK VALUE:			
As at 31 December 1994	£542,379	£9,867	£105,265
As at 31 December 1993	£542,379	£1,003	£106,768
	Motor Vehicles	Computer Equipment	Totals
	£	£	£
COST:			
As at 1 January 1994	131,767	74,841	943,436
Additions	51,349	2,350	77,016
Disposals	(39,346)	—	(41,091)
As at 31 December 1994	143,770	77,191	979,361
DEPRECIATION:			
As at 1 January 1994	74,052	66,210	226,940
Charge for Year	31,520	5,535	52,360
Eliminated on Disposals	(29,510)	—	(30,604)
As at 31 December 1994	76,062	71,745	248,696
NET BOOK VALUE:			
As at 31 December 1994	£67,708	£5,446	£730,665
As at 31 December 1993	£57,717	£8,631	£716,498

9.

STOCKS

	1994 £	1993 £
Goods for Resale	528,636	493,434

HOWLAND WEST LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 December 1994

10. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	1994 £	1993 £
Trade Debtors	694,777	470,090
Other Debtors	36,018	40,184
Prepayments	25,215	41,389
	<u>756,010</u>	<u>551,663</u>

11. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	1994 £	1993 £
Bank Loans and Overdrafts (See Note 13)	29,045	50,078
Trade Creditors	249,846	230,846
Other Creditors	24,696	22,334
Other Loans	202,541	102,777
Other Taxes & Social Security	67,558	46,999
Taxation	64,701	36,807
Accrued Expenses	31,484	27,353
	<u>669,871</u>	<u>517,194</u>

12. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR

	1994 £	1993 £
Bank Loans (See Note 13)	<u>68,750</u>	<u>149,922</u>

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	1994 £	1993 £
Amounts falling due within one year or on demand:		
Bank Overdrafts	4,045	-
Bank Loans	25,000	50,078
	<u>29,045</u>	<u>50,078</u>
Amounts falling due between one and two years:		
Bank Loans	<u>68,750</u>	<u>149,922</u>

HOWLAND WEST LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS for the Year Ended 31 December 1994

The bank loan is repayable by quarterly instalments of £6,250 with interest at 2% plus base rate (subject to a minimum of 8%).

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

The following payments are committed to be paid within one year:

	Operating Leases	
	1994	1993
	£	£
Expiring:		
Between one and five years	1,940	1,940

15. SECURED DEBTS

	1994	1993
	£	£
Bank Overdraft	4,045	-
Bank Loan	93,750	200,000
	<u>97,795</u>	<u>200,000</u>

The bank loan is secured by a legal mortgage over the company's freehold property, and by a fixed and floating charge over the company's assets.

16. PROVISIONS FOR LIABILITIES AND CHARGES

	1994	1993
	£	£
Service Guarantee Provision	71,000	71,000

17. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal Value:	1994	1993
			£	£
7,500	"A" Ordinary	£1	7,500	7,500
3,000	"B" Ordinary	£1	3,000	3,000
4,500	"C" Ordinary	£1	4,500	4,500
			<u>15,000</u>	<u>15,000</u>

18. CONTINGENT LIABILITIES

There is a contingent liability in respect of a £90,000 guarantee to Customs and Excise.

HOWLAND WEST LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
for the Year Ended 31 December 1994

19. PENSION COMMITMENTS

The company has a fully insured defined contribution pension scheme for its present directors and employees. The premiums paid and charged to the financial statements were:

	1994	1993
	£	£
Directors	34,320	24,226
Employees	10,758	11,358
	<u>45,078</u>	<u>35,584</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994	1993
	£	£
Profit for the Financial Year	189,425	214,438
Dividends	(62,000)	(65,625)
NET ADDITION TO SHAREHOLDERS' FUNDS	<u>127,425</u>	<u>148,813</u>
Opening Shareholders' Funds	1,133,871	985,058
CLOSING SHAREHOLDERS' FUNDS	<u>1,261,296</u>	<u>1,133,871</u>
Equity interests	<u>1,261,296</u>	<u>1,133,871</u>