

Final.

REGISTERED NUMBER: 823931 (England and Wales)

ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JANUARY 1999 TO 28TH MAY 1999
FOR
HOWLAND WEST LIMITED



HOWLAND WEST LIMITED

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HOWLAND WEST LIMITED

COMPANY INFORMATION
FOR THE PERIOD 1ST JANUARY 1999 TO 28TH MAY 1999

DIRECTORS:

J Ruppin
D W Hartburn
N W Pullan
A E Grant

SECRETARY:

C Reilly

REGISTERED OFFICE:

3 The Embankment
Sovereign Street
Leeds
LS1 4BJ

REGISTERED NUMBER:

823931 (England and Wales)

AUDITORS:

Goldwyns
Registered Auditors
Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex SS2 6HZ

HOWLAND WEST LIMITED

REPORT OF THE DIRECTORS FOR THE PERIOD 1ST JANUARY 1999 TO 28TH MAY 1999

The directors present their report with the financial statements of the company for the period 1st January 1999 to 28th May 1999.

PRINCIPAL ACTIVITY

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

REVIEW OF BUSINESS

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

DIVIDENDS

No dividends will be distributed for the period ended 28th May 1999.

FIXED ASSETS

The movements in fixed assets are summarised in the attached financial statements.

DIRECTORS

The beneficial interests of the directors holding office on 28 May 1999 in the issued share capital of the company were as follows:

		28.5.99	1.1.99
J Ruppin ("A" Ordinary shares)		3,375	3,375
D Hafler ("A" Ordinary shares)	(Resigned 29 May 1999)	4,125	4,125
A Zagury	(Resigned 29 May 1999)	-	-
A Toledano	(Resigned 29 May 1999)	-	-
D Hartburn ("D" Ordinary shares)		500	500

N W Pullan and A E Grant were appointed directors on 29 May 1999.

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 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.

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:



C Reilly - SECRETARY

Dated: 26 / 7 / 99

HOWLAND WEST LIMITED

**REPORT OF THE AUDITORS TO
HOWLAND WEST LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements on pages five to fifteen, together with the full financial statements of the company for the period ended 28th May 1999 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to fifteen are properly prepared in accordance with that provision.

Other information

On 26th July 1999 we reported, as auditors to the shareholders of the company on the financial statements for the period ended 28th May 1999 prepared under Section 226 of the Companies Act 1985, and our report was as follows:

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

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 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.

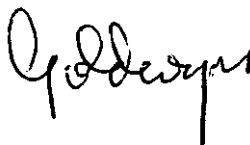
Qualified opinion arising from disagreement about accounting treatment

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 £4,520 (1998 £10,848) should have been made. The effect of the company's accounting policy has been to overstate the company's profit before and after tax by this amount.

HOWLAND WEST LIMITED
REPORT OF THE AUDITORS TO
HOWLAND WEST LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985

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 1998 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Goldwyns
Registered Auditors
Chartered Accountants
Rutland House
90-92 Baxter Avenue
Southend on Sea
Essex SS2 6HZ



Dated: 26th July 1999

HOWLAND WEST LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD 1ST JANUARY 1999 TO 28TH MAY 1999

		PERIOD 1.1.99 TO 28.5.99		YEAR ENDED 31.12.98	
	Notes	£	£	£	£
GROSS PROFIT			932,079		2,185,622
Distribution costs		178,961		490,179	
Administrative expenses		<u>432,185</u>		<u>946,712</u>	
			611,146		1,436,891
OPERATING PROFIT	3		320,933		748,731
Interest receivable and similar income			<u>4,644</u>		<u>21,084</u>
			325,577		769,815
Interest payable and similar charges	4		<u>484</u>		<u>1,186</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			325,093		768,629
Tax on profit on ordinary activities	5		<u>96,802</u>		<u>234,289</u>
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION			228,291		534,340
Dividends	6		<u>-</u>		<u>413,075</u>
			228,291		121,265
Retained profit brought forward			<u>1,844,702</u>		<u>1,723,437</u>
RETAINED PROFIT CARRIED FORWARD			<u>£2,072,993</u>		<u>£1,844,702</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

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

HOWLAND WEST LIMITED
ABBREVIATED BALANCE SHEET
28TH MAY 1999

		<u>1999</u>		<u>1998</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		723,386		751,468
CURRENT ASSETS:					
Stocks	8	813,068		668,144	
Debtors	9	989,459		902,392	
Cash at bank and in hand		<u>440,966</u>		<u>323,179</u>	
		2,243,493		1,893,715	
CREDITORS: Amounts falling due within one year	10	<u>803,986</u>		<u>708,481</u>	
NET CURRENT ASSETS:			<u>1,439,507</u>		<u>1,185,234</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			2,162,893		1,936,702
PROVISIONS FOR LIABILITIES AND CHARGES:	12		<u>74,400</u>		<u>76,500</u>
			<u>£2,088,493</u>		<u>£1,860,202</u>
CAPITAL AND RESERVES:					
Called up share capital	13		15,500		15,500
Profit and loss account			<u>2,072,993</u>		<u>1,844,702</u>
Shareholders' funds	17		<u>£2,088,493</u>		<u>£1,860,202</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:

J Ruppin - DIRECTOR

N W Pullan - DIRECTOR

Approved by the Board on 26/7/99

The notes form part of these financial statements

HOWLAND WEST LIMITED

**CASH FLOW STATEMENT
FOR THE PERIOD 1ST JANUARY 1999 TO 28TH MAY 1999**

		PERIOD 1.1.99 TO 28.5.99	YEAR ENDED 31.12.98
	Notes	£	£
Net cash inflow from operating activities	1	222,804	707,786
Returns on investments and servicing of finance	2	4,160	19,898
Taxation		(61,936)	(156,916)
Capital expenditure	2	(4,432)	(79,984)
Equity dividends paid		-	(413,075)
		160,596	77,709
Financing	2	(42,809)	(7,191)
Increase in cash in the period		<u>£117,787</u>	<u>£70,518</u>
<hr/>			
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		<u>117,787</u>	<u>70,518</u>
Change in net funds resulting from cash flows		<u>117,787</u>	<u>70,518</u>
Movement in net funds in the period		117,787	70,518
Net funds at 1st January 1999		<u>323,179</u>	<u>252,661</u>
Net funds at 28th May 1999		<u>£440,966</u>	<u>£323,179</u>

The notes form part of these financial statements

HOWLAND WEST LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD 1ST JANUARY 1999 TO 28TH MAY 1999

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

	PERIOD 1.1.99 TO 28.5.99 £	YEAR ENDED 31.12.98 £
Operating profit	320,933	748,731
Depreciation charges	32,514	80,333
Loss on sale of fixed assets	-	885
Profit on sale of fixed assets	-	(1,260)
(Decrease)/increase in service guarantee provision	(2,100)	3,000
Increase in stocks	(144,924)	(4,790)
Increase in debtors	(87,067)	(136,077)
Increase in creditors	103,448	16,964
Net cash inflow from operating activities	222,804	707,786

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	PERIOD 1.1.99 TO 28.5.99 £	YEAR ENDED 31.12.98 £
Returns on investments and servicing of finance		
Interest received	4,644	21,084
Interest paid	(484)	(1,186)
Net cash inflow for returns on investments and servicing of finance	4,160	19,898
Capital expenditure		
Purchase of tangible fixed assets	(4,432)	(107,084)
Sale of tangible fixed assets	-	27,100
Net cash outflow for capital expenditure	(4,432)	(79,984)
Financing		
Amount withdrawn by directors	(42,809)	(7,191)
Net cash outflow from financing	(42,809)	(7,191)

The notes form part of these financial statements

HOWLAND WEST LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD 1ST JANUARY 1999 TO 28TH MAY 1999

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.99 £	Cash flow £	At 28.5.99 £
Net cash:			
Cash at bank and in hand	<u>323,179</u>	<u>117,787</u>	<u>440,966</u>
	<u>323,179</u>	<u>117,787</u>	<u>440,966</u>
 Total	 <u>323,179</u>	 <u>117,787</u>	 <u>440,966</u>
 Analysed in Balance Sheet			
Cash at bank and in hand	<u>323,179</u>		<u>440,966</u>
	<u>323,179</u>		<u>440,966</u>

HOWLAND WEST LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE PERIOD 1ST JANUARY 1999 TO 28TH MAY 1999

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	- No depreciation
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 the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the period are charged in the profit and loss account.

2. STAFF COSTS

	PERIOD 1.1.99 TO 28.5.99 £	YEAR ENDED 31.12.98 £
Wages and salaries	311,907	716,185
Social security costs	36,180	74,411
Other pension costs	7,612	16,817
	<u>355,699</u>	<u>807,413</u>

HOWLAND WEST LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE PERIOD 1ST JANUARY 1999 TO 28TH MAY 1999

2. STAFF COSTS - continued

The average monthly number of employees during the period was as follows:

	PERIOD 1.1.99 TO 28.5.99	YEAR ENDED 31.12.98
Office and administration	9	9
Selling and distribution	17	17
Service and repair	<u>2</u>	<u>2</u>
	<u>28</u>	<u>28</u>

3. OPERATING PROFIT

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

	PERIOD 1.1.99 TO 28.5.99	YEAR ENDED 31.12.98
	£	£
Depreciation - owned assets	32,514	80,333
Profit on disposal of fixed assets	-	(375)
Auditors' remuneration	6,500	8,000
Foreign exchange differences	(20,193)	(99,602)
Hire of plant and machinery	<u>-</u>	<u>1,940</u>
Directors' emoluments	55,414	128,765
Directors' pension contributions to money purchase schemes	<u>706</u>	<u>1,566</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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4. INTEREST PAYABLE AND SIMILAR CHARGES

	PERIOD 1.1.99 TO 28.5.99	YEAR ENDED 31.12.98
	£	£
Loan interest	<u>484</u>	<u>1,186</u>

HOWLAND WEST LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE PERIOD 1ST JANUARY 1999 TO 28TH MAY 1999

5. TAXATION

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

	PERIOD 1.1.99 TO 28.5.99 £	YEAR ENDED 31.12.98 £
UK corporation tax	<u>96,802</u>	<u>234,289</u>

UK corporation tax has been charged at 28.61% (1998 - 28.76%).

6. DIVIDENDS

	PERIOD 1.1.99 TO 28.5.99 £	YEAR ENDED 31.12.98 £
Equity shares: 15,000 Voting ordinary shares (Classes A, B and C) shares of £1 each Interim	-	396,731
500 Non - voting ordinary shares (Class D) shares of £1 each Interim	<u>-</u>	<u>16,344</u>
	<u>-</u>	<u>413,075</u>

7. TANGIBLE FIXED ASSETS

	Freehold property £	Plant & Machinery £	Fixtures & Fittings £
COST:			
At 1st January 1999	542,379	35,299	215,263
Additions	<u>-</u>	<u>340</u>	<u>3,897</u>
At 28th May 1999	<u>542,379</u>	<u>35,639</u>	<u>219,160</u>
DEPRECIATION:			
At 1st January 1999	-	21,241	140,960
Charge for period	<u>-</u>	<u>157</u>	<u>6,564</u>
At 28th May 1999	<u>-</u>	<u>21,398</u>	<u>147,524</u>
NET BOOK VALUE:			
At 28th May 1999	<u>542,379</u>	<u>14,241</u>	<u>71,636</u>
At 31st December 1998	<u>542,379</u>	<u>14,058</u>	<u>74,303</u>

HOWLAND WEST LIMITED

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
FOR THE PERIOD 1ST JANUARY 1999 TO 28TH MAY 1999**

7. TANGIBLE FIXED ASSETS - continued

	<u>Motor vehicles</u>	<u>Computer equipment</u>	<u>Totals</u>
	£	£	£
COST:			
At 1st January 1999	187,432	51,725	1,032,098
Additions	<u>-</u>	<u>195</u>	<u>4,432</u>
At 28th May 1999	<u>187,432</u>	<u>51,920</u>	<u>1,036,530</u>
DEPRECIATION:			
At 1st January 1999	97,233	21,196	280,630
Charge for period	<u>18,654</u>	<u>7,139</u>	<u>32,514</u>
At 28th May 1999	<u>115,887</u>	<u>28,335</u>	<u>313,144</u>
NET BOOK VALUE:			
At 28th May 1999	<u>71,545</u>	<u>23,585</u>	<u>723,386</u>
At 31st December 1998	<u>90,199</u>	<u>30,529</u>	<u>751,468</u>

8. STOCKS

	1999	1998
	£	£
Goods for resale	<u>813,068</u>	<u>668,144</u>

**9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1999	1998
	£	£
Trade debtors	888,404	794,625
Other debtors	56,267	68,364
Prepayments	<u>44,788</u>	<u>39,403</u>
	<u>989,459</u>	<u>902,392</u>

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1999	1998
	£	£
Trade creditors	453,097	257,750
Directors current accounts	-	42,809
Other creditors	5,515	64,689
Social security & other taxes	46,989	87,236
Taxation	227,822	192,956
Accrued expenses	<u>70,563</u>	<u>63,041</u>
	<u>803,986</u>	<u>708,481</u>

HOWLAND WEST LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE PERIOD 1ST JANUARY 1999 TO 28TH MAY 1999

11. OBLIGATIONS UNDER LEASING AGREEMENTS

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

	Operating leases	
	1999	1998
	£	£
Expiring:		
Within one year	<u>-</u>	<u>1,940</u>

12. PROVISIONS FOR LIABILITIES AND CHARGES

	1999	1998
	£	£
Service guarantee provision	<u>74,400</u>	<u>76,500</u>
		Other provisions
		£
Balance at 1st January 1999		76,500
Profit and loss account		<u>(2,100)</u>
Balance at 28th May 1999		<u>74,400</u>

The amount for which no provision has been made in respect of deferred taxation, is as follows:

	1999	1998
	£	£
Accelerated capital allowances	<u>(2,790)</u>	<u>2,028</u>

13. CALLED UP SHARE CAPITAL

Authorised:			1999	1998
Number:	Class:	Nominal value:	£	£
15,000	Voting ordinary shares (Classes A, B and C)	£1	15,000	15,000
1,000	Non - voting ordinary shares (Class D)	£1	<u>1,000</u>	<u>1,000</u>
			<u>16,000</u>	<u>16,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	1999	1998
			£	£
15,000	Voting ordinary shares (Classes A, B and C)	£1	15,000	15,000
500	Non - voting ordinary shares (Class D)	£1	<u>500</u>	<u>500</u>
			<u>15,500</u>	<u>15,500</u>

HOWLAND WEST LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE PERIOD 1ST JANUARY 1999 TO 28TH MAY 1999

13. CALLED UP SHARE CAPITAL - continued

The voting share capital of the company can be sub classified as follows:

Number:	Class:	Nominal Value:	1999	1998
7,500	"A" Ordinary	£1	7,500	7,500
3,000	"B" Ordinary	£1	3,000	3,000
4,500	"C" Ordinary	£1	<u>4,500</u>	<u>4,500</u>
			<u>15,000</u>	<u>15,000</u>

On the 29 May 1999 the whole of the issued share capital of the company was converted into Ordinary shares of £1 each

14. CONTINGENT LIABILITIES

There is a contingent liability in respect of a £80,000 guarantee to Customs and Excise.

15. 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:

	PERIOD 1.1.99 TO 28.5.99 £	YEAR ENDED 1998 £
Directors	706	1,566
Employees	<u>6,906</u>	<u>15,250</u>
	<u>7,612</u>	<u>16,816</u>

16. TRANSACTIONS WITH DIRECTORS

During the period payments totalling £81 were made to J Ruppini, £129 to D Hafler and £12 to D Hartburn being interest on monies loaned to the company by these directors. Interest was paid at 1% above Bank of England base rate. At the balance sheet date there was £Nil (1998 £18,084) payable to J Ruppini, £Nil (1998 £22,133) payable to D Hafler and £Nil (1998 £2,592) payable to D Hartburn.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £	1998 £
Profit for the financial period	228,291	534,340
Dividends	-	<u>(413,075)</u>
NET ADDITION TO SHAREHOLDERS' FUNDS	228,291	121,265
Opening shareholders' funds	<u>1,860,202</u>	<u>1,738,937</u>
CLOSING SHAREHOLDERS' FUNDS	<u>2,088,493</u>	<u>1,860,202</u>
Equity interests	<u>2,088,493</u>	<u>1,860,202</u>