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ANTIQUE FURNITURE HIRE LIMITED

REPORT AND ACCOUNTS

for the year ended

30 APRIL 1998



ANTIQUUE FURNITURE HIRE LIMITED

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ANTIQUF FURNITURE HIRE LIMITED

DIRECTORS AND ADVISERS

DIRECTORS

P B McKay
D Blain

SECRETARY

P B McKay

REGISTERED OFFICE

189 Queen's Gate
London SW7 5EX

BANKERS

Natwest Bank plc
PO Box No 420
88 Cromwell Road
London
SW7 4EW

AUDITORS

Smith & Williamson
Chartered Accountants
No 1 Riding House Street
London W1A 3AS

COMPANY'S REGISTERED NUMBER

853129

ANTIQUE FURNITURE HIRE LIMITED

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 30 April 1998.

Activities

The principal activity of the company continues to be purchasing of antique furniture and renting to hotels.

Review of business

In the opinion of the directors the state of the company's affairs is satisfactory. The directors expect to continue to expand the company's rental business in line with growth in the Hazlitt's Limited group of companies.

Results for the year

The profit for the year after taxation was £12,974 (1997: £8,756).

Directors and their interests

The names of the directors who held office at the end of the year, together with their interests in the shares of the Parent Company were:

	No. of £1 Shares	
	1998	1997
P B McKay	5,931	5,931
D Blain	3,328	3,328

None of the directors held any shares in this Company as all shares are owned by Hazlitt's Limited.

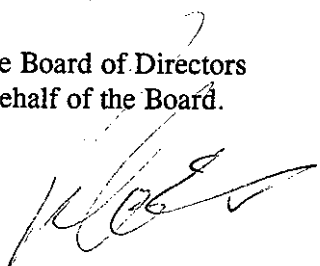
Year 2000

The Board has considered the risks and uncertainties connected with the compatibility of the company's, and third party systems, with the year 2000.

The current view of the directors is that whilst there are inherent risks and uncertainties associated with the "millennium bug", including exposure to compliance failures in the systems of business partners, action taken to date is adequate. The directors do not anticipate that significant additional I.T. costs will arise from adapting company's systems to comply with year 2000 requirements.

Approved by the Board of Directors
and signed on behalf of the Board.

DIRECTOR



P B McKay

ANTIQUE FURNITURE HIRE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departure 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.

The
Smith & Williamson
— • G r o u p • —

AUDITORS' REPORT TO THE SHAREHOLDERS OF ANTIQUE FURNITURE HIRE LIMITED

We have audited the accounts on pages 6 to 12 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 4, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs at 30 April 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Smith & Williamson

24 February 1999

SMITH & WILLIAMSON
Chartered Accountants
Registered Auditors

No 1 Riding House Street
London W1A 3AS

ANTIQUE FURNITURE HIRE LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 30 APRIL 1998

	Notes	1998 £	1997 £
Turnover	1	122,686	30,796
Cost of sales		(78,846)	(37,148)
Gross profit		43,840	(6,352)
Interest receivable and similar income		9,151	16,549
Profit on ordinary activities before taxation	3	52,991	10,197
Tax on profit on ordinary activities	4	(40,017)	(1,441)
Retained profit/(loss) for the financial year	10	12,974	8,756

All of the company's operations are classed as continuing. There were no gains or losses in either year other than those included in the above profit and loss account.

	1998 £	1997 £
Note of historical cost profits and losses		
Reported profit on ordinary activities before taxation	52,991	10,197
Depreciation charge on revaluation less the depreciation on the historical cost	13,685	13,685
Historical cost profit on ordinary activities before taxation	66,676	23,882
Historical cost profit after taxation	26,659	22,441

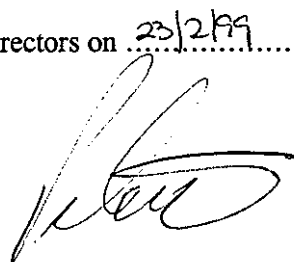
ANTIQUE FURNITURE HIRE LIMITED

BALANCE SHEET as at 30 APRIL 1998

	Notes	1998	1997
		£	£
Fixed assets			
Tangible assets	5	294,796	220,828
		<hr/>	<hr/>
Current assets			
Debtors	6	118,622	138,950
Cash at bank and in hand		749	6,095
		<hr/>	<hr/>
		119,371	145,045
Creditors: amounts falling due within one year	7	(20,351)	(22,048)
		<hr/>	<hr/>
Net current assets		99,020	122,997
		<hr/>	<hr/>
Total assets less current liabilities		393,816	343,825
Provision for other liabilities and charges	8	(37,017)	-
		<hr/>	<hr/>
Net assets		356,799	343,825
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	1,000	1,000
Revaluation reserve	10	109,480	123,165
Profit and loss account	10	246,319	219,660
		<hr/>	<hr/>
Shareholders' funds	10	356,799	343,825
		<hr/>	<hr/>

The accounts were approved by the Board of Directors on 23/2/99 and were signed on its behalf by:

Director



ANTIQUF FURNITURE HIRE LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 1998

1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards. A summary of the more important accounting policies adopted are described below.

Basis of accounting

The accounts have been prepared under the historical cost convention, modified by the revaluation of certain fixed assets.

Fixed assets

Depreciation is provided on cost or revalued amounts in equal annual instalments over the estimated useful lives of the assets concerned. The following annual rates are used.

Furniture	- 10% on revalued amount
Motor vehicles	- 25% on cost

Deferred taxation

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability or asset will crystallise.

Leases

Rental received under operating leases is credited to the profit and loss account on a straight line basis over the term of the lease.

Pension costs

The company is party to a small defined contribution pension scheme for the directors. Costs are charged to the profit and loss account as contributions are made.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied. All turnover is derived from the hire and lease of furniture.

ANTIQUE FURNITURE HIRE LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 1998 (continued)

2 Employee information

The average number of persons, including directors, employed by the company during the year was:

	1998	1997
	No.	No.
Administration	2	1
Staff costs for the above persons were:	£	£
Wages and salaries	20,036	2,000
Social security costs	1,804	-
Pension costs	1,001	1,833
	<u>22,841</u>	<u>3,833</u>
	1998	1997
	£	£

3 Profit on ordinary activities before taxation

is stated after charging:-

Director's emoluments	3,001	3,833
Depreciation	30,205	25,713
Auditors' remuneration		
- audit	1,300	1,175
	<u></u>	<u></u>

4 Tax on profit on ordinary activities

UK corporation tax at 21 % (1997: 24%)

Current	3,000	1,441
Deferred	37,017	-
	<u></u>	<u></u>
	40,017	1,441
	<u></u>	<u></u>

ANTIQUE FURNITURE HIRE LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 1998 (continued)

5	Tangible fixed assets	Motor van	Furniture	Total
		£	£	£
	Cost or valuation			
	At 1 May 1997	7,060	239,481	246,541
	Additions - at cost	-	104,173	104,173
		<hr/>	<hr/>	<hr/>
	At 30 April 1998	7,060	343,654	350,714
		<hr/>	<hr/>	<hr/>
	Depreciation			
	At 1 May 1997	1,765	23,948	25,713
	Charge for the year	1,765	28,440	30,205
		<hr/>	<hr/>	<hr/>
	At 30 April 1998	3,530	52,388	55,918
		<hr/>	<hr/>	<hr/>
	Net book value			
	At 30 April 1998	3,530	291,266	294,796
		<hr/>	<hr/>	<hr/>
	At 30 April 1997	5,295	215,533	220,828
		<hr/>	<hr/>	<hr/>

All furniture is held for leasing and rental to other group companies. The furniture in ownership at the time was revalued by the directors to £136,850 above cost during the year ending 30 April 1997. The historic cost of the furniture is £206,805 and historic cost depreciation is £25,018.

6	Debtors	1998 £	1997 £
	Loans to group undertakings	110,349	117,051
	Prepayments and accrued income	3,763	21,899
	Other debtors	3,593	-
	Corporation tax	917	-
		<hr/>	<hr/>
		118,622	138,950
		<hr/>	<hr/>

ANTIQUUE FURNITURE HIRE LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 1998 (continued)

		1998	1997
7	Creditors: amounts falling due within one year	£	£
	Corporation tax	3,000	1,110
	Other creditors	17,351	20,938
		<hr/>	<hr/>
		20,351	22,048
		<hr/>	<hr/>
8	Provisions for liabilities and charges	Accelerated capital allowances	Total timing differences
		£	£
	Deferred Tax		
	Provided		
	At 1 May 1997	-	-
	Increase in provision	37,017	37,017
		<hr/>	<hr/>
	At 30 April 1998	37,017	37,017
		<hr/>	<hr/>
9	Called up share capital		
	Authorised		
	1,000 ordinary shares of £1 each	1,000	1,000
		<hr/>	<hr/>
	Allotted, called up and fully paid	1,000	1,000
		<hr/>	<hr/>

ANTIQUE FURNITURE HIRE LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 1998 (continued)

10	Reserves	Revaluation reserve	Profit and loss account
		£	£
	At 1 May 1997	123,165	219,660
	Transfer from Revaluation Reserve	(13,685)	13,685
	Retained profit for the year	-	12,974
		<hr/>	<hr/>
	At 30 April 1998	109,480	246,319
		<hr/>	<hr/>
11	Reconciliation of movements in shareholders' funds	1998	1997
		£	£
	Profit for the financial year	12,974	8,756
	Revaluation of fixed assets	-	136,850
	Opening shareholders' funds	343,825	198,219
		<hr/>	<hr/>
	Closing shareholders' funds	356,799	343,825
		<hr/>	<hr/>
12	Ultimate parent company		

At 30 April 1998, the ultimate parent company was Hazlitts Limited, a company registered in England.