

ANTIQUE FURNITURE HIRE LIMITED

REPORT AND ACCOUNTS

for the year ended

30 APRIL 2001



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ANTIQUE FURNITURE HIRE LIMITED

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ANTIQUE 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 30 April 2001.

Activities

The principal activity of the company is purchasing antique furniture and renting it 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 £70,391 (2000: £94,214).

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:

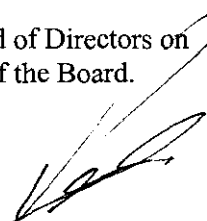
	Number of £1 ordinary shares			
	2001		2000	
	Ordinary	'A' ordinary	ordinary	'A' ordinary
P B McKay	4,331	167	4,331	167
D E Blain	3,328	119	3,328	119

The 'A' ordinary shares are held by Hazlitt's Retirement Benefit scheme, of which P B McKay and D E Blain are beneficiaries.

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

Approved by the Board of Directors on 13 February 2002
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.

Smith & Williamson

Independent auditors' report to the shareholders of Antique Furniture Hire Limited

We have audited the accounts of Antique Furniture Hire Limited for the year ended 30 April 2001 on pages 6 to 13. These accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 judgements 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 as at 30 April 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Smith & Williamson

SMITH & WILLIAMSON
Chartered Accountants
Registered Auditors

18 February 2002

No 1 Riding House Street
London
W1A 3AS

ANTIQUE FURNITURE HIRE LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 30 APRIL 2001

	Notes	2001 £	2000 £
Turnover	1	230,096	205,710
Staff costs	2	(28,471)	(27,700)
Depreciation		(58,789)	(51,536)
Other operating charges		(32,567)	(22,408)
Gross profit		110,269	104,066
Interest receivable and similar income		16,944	10,069
Profit on ordinary activities before taxation	3	127,213	114,135
Tax on profit on ordinary activities	4	(56,822)	(19,921)
Retained profit for the financial year	10	70,391	94,214

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.

	2001 £	2000 £
Note of historical cost profits and losses		
Reported profit on ordinary activities before taxation	127,213	114,135
Depreciation charge on valuation less the depreciation on the historical cost	13,685	13,685
Historical cost profit on ordinary activities before taxation	140,898	127,820
Historical cost profit after taxation	84,076	107,899

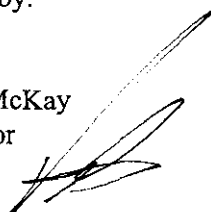
ANTIQUE FURNITURE HIRE LIMITED

BALANCE SHEET as at 30 APRIL 2001

	Notes	2001 £	2000 £
Fixed assets			
Tangible assets	5	405,708	426,171
		<hr/>	<hr/>
Current assets			
Debtors	6	311,313	167,768
Cash at bank and in hand		7,188	10,750
		<hr/>	<hr/>
		318,501	178,518
Creditors: amounts falling due within one year	7	(71,710)	(47,406)
		<hr/>	<hr/>
Net current assets		246,791	131,112
		<hr/>	<hr/>
Total assets less current liabilities		652,499	557,283
Provision for other liabilities and charges	8	(71,050)	(46,225)
		<hr/>	<hr/>
Net assets		581,449	511,058
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	1,000	1,000
Revaluation reserve	10	68,425	82,110
Profit and loss account	10	512,024	427,948
		<hr/>	<hr/>
Shareholders' funds	11	581,449	511,058
		<hr/>	<hr/>

The accounts were approved by the Board of Directors on 13 February 2002 and were signed on its behalf by:

P. B. McKay
Director



ANTIQUE FURNITURE HIRE LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2001

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 the book value after recording any revaluations, 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

There are no formal lease agreements for the hire and lease of furniture. Rentals are credited to the profit and loss account as they fall due.

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 ordinary activities, being the hire and lease of furniture.

ANTIQUE FURNITURE HIRE LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2001 (continued)

2 Employee information

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

	2001 No.	2000 No.
Administration	2	2
Staff costs for the above persons were:	£	£
Wages and salaries	25,167	24,000
Social security costs	2,304	2,700
Pensions costs	1,000	1,000
	28,471	27,700

3 Operating profit

	2001 £	2000 £
is stated after charging:		
Directors' emoluments	3,000	3,000
Depreciation	58,789	51,446
Auditors' remuneration – Audit services	2,000	2,000
Other services	1,275	1,550

The pension contributions were made to a money purchase scheme, which is accruing benefits for one director.

	2001 £	2000 £
4 Tax on profit on ordinary activities		
UK corporation tax at 30% (2000: 30%)	31,997	18,593
Over provision in prior year	-	(3,940)
Deferred tax	24,825	5,268
	56,822	19,921

The deferred tax rate has been increased from 20% to 30% this year.

ANTIQUE FURNITURE HIRE LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2001 (continued)

5	Tangible fixed assets	Motor van £	Furniture £	Total £
	Cost or valuation			
	At 1 May 2000	7,060	567,535	574,595
	Additions – at cost	-	39,504	39,504
	Disposals	-	(1,960)	(1,960)
		<hr/>	<hr/>	<hr/>
	At 30 April 2001	7,060	605,079	612,139
		<hr/>	<hr/>	<hr/>
	Depreciation			
	At 1 May 2000	7,060	141,364	148,424
	Depreciation on disposals	-	(782)	(782)
	Charge for the year	-	58,789	58,789
		<hr/>	<hr/>	<hr/>
	At 30 April 2001	7,060	199,371	206,431
		<hr/>	<hr/>	<hr/>
	Net book value			
	At 30 April 2001	-	405,708	405,708
		<hr/>	<hr/>	<hr/>
	At 30 April 2000	-	426,171	426,171
		<hr/>	<hr/>	<hr/>

All furniture is held for leasing and rental to other group companies. Furniture with a net book value of £78,683 was revalued by the directors at £215,593 during the year ending 30 April 1997 on a market value basis. At the current year end, the historic cost of all the furniture is £468,229 and total historic cost depreciation is £144,631.

The Directors have considered the valuations and consider that these valuations remain prudent. Therefore, no further valuations have been carried out. This is in accordance with the transitional provisions of FRS 15.

ANTIQUE FURNITURE HIRE LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2001 (continued)

6 Debtors	2001	2000
	£	£
Group undertakings	309,565	159,290
Prepayments and accrued income	639	1,275
Other debtors	1,109	7,203
	<hr/>	<hr/>
	311,313	167,768
	<hr/>	<hr/>
 7 Creditors: amounts falling due within one year	 2001	 2000
	£	£
Trade creditors	499	705
Corporation tax	31,997	18,385
Other creditors, including taxes and social security	39,214	28,316
	<hr/>	<hr/>
	71,710	47,406
	<hr/>	<hr/>
 8 Provisions for liabilities and charges	 Accelerated	 Total
	capital	timing
	allowances	differences
	£	£
 Deferred Tax		
Provided		
At 1 May 2000	46,225	46,225
Increase in provision	24,825	24,825
	<hr/>	<hr/>
At 30 April 2001	71,050	71,050
	<hr/>	<hr/>

Potential deferred tax of approximately £41,000 on the revaluation of the furniture has not been provided for on the basis that there will be no realisation of these surpluses in the foreseeable future.

ANTIQUE FURNITURE HIRE LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2001 (continued)

9	Called up share capital	2001	2000
		£	£
	Authorised		
	1,000 ordinary shares of £1 each	1,000	1,000
		<hr/>	<hr/>
	Allotted, called up and fully paid		
	1,000 ordinary shares of £1 each	1,000	1,000
		<hr/>	<hr/>
10	Reserves	Revaluation reserve	Profit and loss account
		£	£
	At 1 May 2000	82,110	427,948
	Transfer from Revaluation Reserve	(13,685)	13,685
	Retained profit for the year	-	70,391
		<hr/>	<hr/>
	At 30 April 2001	68,425	512,024
		<hr/>	<hr/>
11	Reconciliation of movements in shareholders' funds	2001	2000
		£	£
	Profit for the financial year	70,391	94,214
	Opening shareholders' funds	511,058	416,844
		<hr/>	<hr/>
	Closing shareholders' funds	581,449	511,058
		<hr/>	<hr/>

ANTIQUE FURNITURE HIRE LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2001 (continued)

12 Ultimate parent undertaking and contingent liability

At 30 April 2001, the ultimate parent undertaking was Hazlitt's Limited, a company incorporated and registered in England. The assets of the company are subject to a charge to secure the bank loans of the holding company.

13 Related party disclosures

Transactions with Hazlitt's Limited and its subsidiaries are exempt from the detailed disclosures required by FRS 8: Related Party Disclosures because Hazlitt's Limited makes available consolidated accounts. The consolidated accounts can be obtained from the company secretary at the registered office address shown on page 2.