

Registrar

Company Number: 1095274

Hugo Russell & Co. Limited

Financial Statements

for the year ended 31st December 2000



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Chairman

Mr R G Gomme

Registered Office

38 Westwood Park Trading Estate
Concord Road
Western Avenue
London
W3 0TH

Directors

Mr R G Gomme
Mrs E L Chapman
Mr R Board

Secretary

Mr R G Gomme

Auditors

Wilkins Kennedy
Risborough House
38-40 Sycamore Road
Amersham
Bucks
HP6 5DZ

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Directors' Report

for the year ended 31st December 2000

The directors submit their report together with the audited financial statements for the year ended 31st December 2000.

Directors' Statement

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 for that year. 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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 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.

Principal Activity

The principal activity of the company continued to be that of wholesale warehousing and sale of giftware.

Directors and their Interests

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

	Ordinary 'A'	Ordinary 'B'	Ordinary 'A'	Ordinary 'B'
	2000	2000	1999	1999
	No.	No.	No.	No.
Mr R G Gomme	2,500	2,500	2,500	2,500
Mrs E L Chapman	-	-	-	-
Mr R Board	-	-	-	-

Auditors

The Auditors, Wilkins Kennedy Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

Exemption Statement

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985.

By Order of the Board:



Mr R G Gomme, Secretary

5th October 2001

Auditors' Report to the Shareholders

on the Financial Statements for the year ended 31st December 2000

We have audited the financial statements on pages 3 to 9, which have been prepared under the historical cost convention and the accounting policies set out on pages 5 and 7.

Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the 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 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Wilkins Kennedy
Chartered Accountants
Registered Auditor**



Risborough House
38-40 Sycamore Road
Amersham
Bucks
HP6 5DZ

5th October 2001

Hugo Russell & Co. Limited**Profit and Loss Account****for the year ended 31st December 2000**

	Notes	2000 £	1999 £
Turnover	2	2,511,484	2,656,792
Cost of sales		(1,565,910)	(1,634,729)
Gross profit		945,574	1,022,063
Administrative expenses		(856,798)	(848,597)
Operating profit	3	88,776	173,466
Interest receivable	4	3,186	5,444
Interest payable	5	(23,050)	(23,912)
Profit on ordinary activities before Taxation		68,912	154,998
Tax on profit on ordinary activities		(2,403)	(29,124)
Profit on ordinary activities after Taxation		66,509	125,874
Retained profit brought forward		508,762	382,888
Retained profit carried forward		<u>575,271</u>	<u>508,762</u>

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

Balance Sheet

as at 31st December 2000

	Notes	2000 £	2000 £	1999 £	1999 £
Fixed Assets					
Tangible Fixed Assets	7		15,816		21,654
Current Assets					
Stock	8	661,638		685,675	
Debtors	9	170,104		184,948	
Cash at bank and in-hand		139,991		92,108	
		971,733		962,731	
Creditors:					
Amounts falling due within one year	10	(407,278)		(470,623)	
Net Current Assets			564,455		492,108
			580,271		513,762
Capital and Reserves					
Called up share capital	12		5,000		5,000
Profit and loss account			575,271		508,762
Equity Shareholders' Funds	11		580,271		513,762

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Small Entities.

These accounts were approved by the board on 5th October 2001.

Mr R G Gomme



Director

Notes to the Financial Statements

for the year ended 31st December 2000

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments is charged to the Profit and Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight-line basis over the lease term.

2 Turnover

The turnover and operating profit for the year was derived from the company's principal activity and was carried out wholly in the UK.

3 Operating Profit

The operating profit is stated after charging or crediting:

	2000	1999
	£	£
Other operating lease rentals	191,833	122,735
Amounts payable to the auditors in respect of audit services	6,300	6,200
Amounts payable to the auditors in respect of non-audit services	7,475	3,695
Depreciation - owned assets	9,298	18,540
(Profit) on disposal of fixed assets	(585)	-

4 Interest Receivable

	2000	1999
	£	£
Bank interest receivable	2,832	3,297
Other interest receivable	354	2,147
	<u>3,186</u>	<u>5,444</u>

5 Interest Payable

	2000	1999
	£	£
Bank loans and overdrafts	8,050	3,791
Other interest payable	15,000	20,121
	<u>23,050</u>	<u>23,912</u>

6 Directors

	2000	1999
	£	£
Total emoluments	<u>129,221</u>	<u>176,605</u>

Notes to the Financial Statements

for the year ended 31st December 2000

7 Tangible Fixed Assets

	Plant, Machinery and Other Assets £
Cost	
At 1st January 2000	345,017
Additions	3,460
Disposals	(8,013)
At 31st December 2000	340,464
Depreciation	
At 1st January 2000	323,363
Charge for the year	9,298
Depreciation on disposals	(8,013)
At 31st December 2000	324,648
Net Book Value	
At 31st December 2000	15,816
At 31st December 1999	21,654

8	Stocks	2000	1999
		£	£
	Stocks	661,638	685,675
9	Debtors	2000	1999
		£	£
	Trade debtors	112,985	130,061
	Other debtors	57,119	54,887
		170,104	184,948
10	Creditors: Amounts falling due within one year	2000	1999
		£	£
	Bank loans and overdrafts - secured	-	16,461
	Trade creditors	47,008	96,526
	Other creditors	356,683	329,682
	Corporation tax	3,587	27,954
		407,278	470,623

Notes to the Financial Statements

for the year ended 31st December 2000

11	Reconciliation of the Movement in Shareholders' Funds	2000	1999
		£	£
	Profit for the financial year	66,509	125,874
	Increase in shareholders' funds	66,509	125,874
	Opening shareholders' funds	513,762	387,888
	Closing shareholders' funds	580,271	513,762
12	Share Capital		
	Authorised	2000	1999
		£	£
	10,000 Ordinary shares of £1 each (1999: 10,000)	10,000	10,000
	Allotted and fully paid	2000	1999
		£	£
	5,000 Ordinary shares of £1 each (1999: 5,000)	5,000	5,000

The authorised share capital is divided into 5,000 Class A ordinary £1 shares and 5,000 Class B ordinary £1 shares.

The issue and fully paid share capital is divided into 2,500 Class A ordinary £1 shares and 2,500 Class B ordinary £1 shares.

Notes to the Financial Statements

for the year ended 31st December 2000

13 Pensions - Defined Contribution Scheme

The company operates a defined contribution pension scheme for the benefit of one of the directors. The assets of the scheme are administered by trustees in a fund independent from those of the company. The company also provides contributions for all three of the directors' personal pension schemes.

14 Related Party Transactions

Details of related party transactions occurring during the year are as follows:

Name of related party	Nature of Relationship	Transaction Details	Amount	Balance 2000	Balance 1999
			£	£	£
R G Gomme	Director/ Shareholder	Movement on loan to the company	10,551	(302)	(10,853)
J Board	Connected person to a director	Movement on loan by the company	(2,970)	-	2,970
Gomme F.U.R.B.S.	Retirement fund of a director	Movement on loan to the company	-	(150,000)	(150,000)
Gomme F.U.R.B.S.	Retirement fund of a director	Interest paid on loan to the company	15,000	-	-

Ultimate controlling party

The company was throughout the current and preceding year controlled by R G Gomme who is a director and shareholder of the company.

15 Operating lease commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the next financial year:

	2000 Land and buildings £	1999 Land and buildings £
Expiring:		
Within one year	-	-
Within two to five years	-	-
After five years	212,652	122,735
	<u>212,652</u>	<u>122,735</u>