

2049497

Report of the Directors and
Financial Statements
for the Year Ended 30 September 2000
for
Spillers of Chard Limited



Spillers of Chard Limited

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for the Year Ended 30 September 2000

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Spillers of Chard Limited

Company Information
for the Year Ended 30 September 2000

DIRECTORS:

Mrs C Durie
A D Durie
Ms J M Bond
D Mears ACA

SECRETARY:

D Mears ACA

REGISTERED OFFICE:

Chard Business Park
Chard
Somerset
TA20 1FA

REGISTERED NUMBER:

2049497 (England and Wales)

AUDITORS:

A C Mole & Sons
Chartered Accountants
& Registered Auditors
Stafford House
Billetfield
Taunton

Spillers of Chard Limited

Report of the Directors **for the Year Ended 30 September 2000**

The directors present their report with the financial statements of the company for the year ended 30 September 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of operating as a main authorised distributor for AGA and Rayburn and the sale of other luxury lifestyle products.

REVIEW OF BUSINESS

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

This year has seen the beginning of expansion into extended showrooms which will enhance greatly the range of products on display. Completion is planned for Spring 2001 and will give the company the opportunity to consolidate its position as the region's principal distributor in its market.

DIVIDENDS

No dividends are proposed for the year ended 30 September 2000.

DIRECTORS

The directors during the year under review were:

Mrs C Durie
A D Durie
Ms J M Bond
D Mears ACA

The directors holding office at 30 September 2000 did not hold any beneficial interest in the issued share capital of the company at 1 October 1999 or 30 September 2000.

Mrs C Durie and Mr A D Durie have interests in the share capital of the holding company Figment Properties Limited. Details of the holdings in that company are disclosed in the financial statements of Figment Properties Limited.

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, A C Mole & Sons, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:



D Mears ACA - SECRETARY

Dated: 30.05.01

Spillers of Chard Limited

**Report of the Auditors to the Shareholders of
Spillers of Chard Limited**

We have audited the financial statements on pages four to fourteen 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

A.C. Mole & Sons

A C Mole & Sons
Chartered Accountants
& Registered Auditors
Stafford House
Billetfield
Taunton

Dated: 30/5/01.....

Spillers of Chard Limited**Profit and Loss Account**
for the Year Ended 30 September 2000

		2000		1999	
	Notes	£	£	£	£
TURNOVER	2		4,147,402		2,977,380
Cost of sales			2,983,165		2,143,567
GROSS PROFIT			1,164,237		833,813
Distribution costs		175,830		163,390	
Administrative expenses		684,073		539,127	
			859,903		702,517
OPERATING PROFIT	4		304,334		131,296
Interest receivable and similar income	5		28,958		13,380
			333,292		144,676
Interest payable and similar charges	6		30,866		31,305
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			302,426		113,371
Tax on profit on ordinary activities	7		91,103		25,003
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			211,323		88,368
Retained profit brought forward			287,928		199,560
RETAINED PROFIT CARRIED FORWARD			£499,251		£287,928

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.

The notes form part of these financial statements

Spillers of Chard Limited**Balance Sheet****30 September 2000**

		2000		1999	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		947,849		669,872
CURRENT ASSETS:					
Stocks	9	276,181		298,107	
Debtors	10	114,334		85,603	
Cash at bank		556,090		403,872	
		946,605		787,582	
CREDITORS: Amounts falling due within one year	11	1,027,935		826,113	
NET CURRENT LIABILITIES:			(81,330)		(38,531)
TOTAL ASSETS LESS CURRENT LIABILITIES:			866,519		631,341
CREDITORS: Amounts falling due after more than one year	12		(330,084)		(317,664)
PROVISIONS FOR LIABILITIES AND CHARGES:	14		(27,184)		(15,749)
			£509,251		£297,928
CAPITAL AND RESERVES:					
Called up share capital	15		10,000		10,000
Profit and loss account			499,251		287,928
SHAREHOLDERS' FUNDS:	17		£509,251		£297,928

ON BEHALF OF THE BOARD:


Mrs C Durie - DIRECTOR

Approved by the Board on 30.05.01

The notes form part of these financial statements

Spillers of Chard Limited**Cash Flow Statement
for the Year Ended 30 September 2000**

	Notes	2000		1999	
		£	£	£	£
Net cash inflow from operating activities	1		530,339		320,137
Returns on investments and servicing of finance	2		(1,908)		(17,925)
Taxation			(25,776)		(6,644)
Capital expenditure	2		(350,437)		(54,457)
Increase in cash in the period			<u>£152,218</u>		<u>£241,111</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
Increase in cash in the period		152,218		241,111	
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing		<u>(9,641)</u>		<u>30,384</u>	
Change in net funds resulting from cash flows			<u>142,577</u>		<u>271,495</u>
Movement in net funds in the period			142,577		271,495
Net funds at 1 October			<u>333,260</u>		<u>61,765</u>
Net funds at 30 September			<u>£475,837</u>		<u>£333,260</u>

The notes form part of these financial statements

Spillers of Chard Limited

Notes to the Cash Flow Statement
for the Year Ended 30 September 2000

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

	2000 £	1999 £
Operating profit	304,334	131,296
Depreciation charges	71,906	72,973
Loss on sale of fixed assets	3,682	1,311
Profit on sale of fixed assets	(3,128)	(2,045)
Decrease/(Increase) in stocks	21,926	(27,980)
Increase in debtors	(28,731)	(13,367)
Increase in creditors	160,350	157,949
	<u> </u>	<u> </u>
Net cash inflow from operating activities	<u>530,339</u>	<u>320,137</u>

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

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	28,958	13,380
Interest paid	(22,152)	(22,660)
Interest element of hire purchase or finance lease rentals payments	<u>(8,714)</u>	<u>(8,645)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(1,908)</u>	<u>(17,925)</u>
Capital expenditure		
Purchase of tangible fixed assets	(380,608)	(67,850)
Sale of tangible fixed assets	<u>30,171</u>	<u>13,393</u>
Net cash outflow for capital expenditure	<u>(350,437)</u>	<u>(54,457)</u>

The notes form part of these financial statements

Spillers of Chard Limited

Notes to the Cash Flow Statement
for the Year Ended 30 September 2000

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.99 £	Cash flow £	At 30.9.00 £
Net cash:			
Cash at bank	403,872	152,218	556,090
	<u>403,872</u>	<u>152,218</u>	<u>556,090</u>
Debt:			
Hire purchase or finance leases	(70,612)	(9,641)	(80,253)
	<u>(70,612)</u>	<u>(9,641)</u>	<u>(80,253)</u>
Total	<u>333,260</u>	<u>142,577</u>	<u>475,837</u>
Analysed in Balance Sheet			
Cash at bank	403,872		556,090
Hire purchase or finance leases			
within one year	(42,948)		(40,169)
after one year	(27,664)		(40,084)
	<u>333,260</u>		<u>475,837</u>

The notes form part of these financial statements

Spillers of Chard Limited

Notes to the Financial Statements **for the Year Ended 30 September 2000**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards.

Turnover

Turnover represents net invoiced sales of services and delivered 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 or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- Straight line over 7 years and straight line over 2 years
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Stocks

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

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company participates in defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

Deferred Taxation

Provision is made at current rates for deferred taxation in respect of all material timing differences to the extent that in the opinion of the directors, there is reasonable probability that the liability will crystallize in the foreseeable future.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. STAFF COSTS

	2000	1999
	£	£
Wages and salaries	696,088	555,991
Social security costs	72,833	55,193
Other pension costs	40,925	11,906
	<hr/>	<hr/>
	809,846	623,090
	<hr/>	<hr/>

Spillers of Chard Limited**Notes to the Financial Statements
for the Year Ended 30 September 2000****3. STAFF COSTS - continued**

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

	2000	1999
Salaried	15	13
Waged	15	13
	<u>30</u>	<u>26</u>

4. OPERATING PROFIT

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

	2000	1999
	£	£
Depreciation - owned assets	49,098	39,546
Depreciation - assets on hire purchase contracts or finance leases	22,808	33,427
Loss/(Profit) on disposal of fixed assets	554	(734)
Auditors' remuneration	5,730	4,000
Operating lease payments	5,036	2,238
Hire of machinery	1,277	992
	<u>211,702</u>	<u>175,500</u>
Directors' emoluments	211,702	175,500
Directors' pension contributions to money purchase schemes	36,500	7,800
Past directors' excess retirement benefits	7,500	7,500
	<u>7,500</u>	<u>7,500</u>

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

Money purchase schemes	<u>4</u>	<u>4</u>
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Information regarding the highest paid director for the year ended 30 September 2000 is as follows:

	2000
	£
Emoluments etc	62,552
Pension contributions to money purchase schemes	17,100
	<u>79,652</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2000	1999
	£	£
Deposit account interest	28,958	13,380
	<u>28,958</u>	<u>13,380</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
Interest on loan from parent company	22,086	22,660
Interest on late tax payment	66	-
Hire purchase	8,714	8,645
	<u>30,866</u>	<u>31,305</u>

Spillers of Chard Limited**Notes to the Financial Statements
for the Year Ended 30 September 2000****7. TAXATION**

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

	2000	1999
	£	£
UK corporation tax	78,380	24,488
Under provision in prior years	1,288	-
Transfer to deferred tax	11,435	515
	<u>91,103</u>	<u>25,003</u>

UK corporation tax has been charged at 26.45% (1999 - 20.49%).

8. TANGIBLE FIXED ASSETS

	Freehold property	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST:					
At 1 October 1999	459,648	49,449	100,384	269,305	878,786
Additions	268,580	3,319	9,245	99,464	380,608
Disposals	-	(1,785)	(3,748)	(62,852)	(68,385)
At 30 September 2000	<u>728,228</u>	<u>50,983</u>	<u>105,881</u>	<u>305,917</u>	<u>1,191,009</u>
DEPRECIATION:					
At 1 October 1999	19,234	42,484	48,317	98,879	208,914
Charge for year	8,556	3,233	12,724	47,393	71,906
Eliminated on disposals	-	(1,785)	(1,905)	(33,970)	(37,660)
At 30 September 2000	<u>27,790</u>	<u>43,932</u>	<u>59,136</u>	<u>112,302</u>	<u>243,160</u>
NET BOOK VALUE:					
At 30 September 2000	<u>700,438</u>	<u>7,051</u>	<u>46,745</u>	<u>193,615</u>	<u>947,849</u>
At 30 September 1999	<u>440,414</u>	<u>6,965</u>	<u>52,067</u>	<u>170,426</u>	<u>669,872</u>

Included within freehold property is land with a value of £34,000, which has not been depreciated.

Spillers of Chard Limited

Notes to the Financial Statements
for the Year Ended 30 September 2000

8. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Motor vehicles
	£
COST:	
At 1 October 1999	186,478
Additions	99,464
Transferred to ownership	(133,532)
	<hr/>
At 30 September 2000	152,410
	<hr/>
DEPRECIATION:	
At 1 October 1999	61,842
Charge for year	22,808
Transferred to ownership	(51,818)
	<hr/>
At 30 September 2000	32,832
	<hr/>
NET BOOK VALUE:	
At 30 September 2000	119,578
	<hr/>
At 30 September 1999	124,636
	<hr/>

9. STOCKS

	2000 £	1999 £
Goods for resale	276,181	298,107
	<hr/>	<hr/>

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

	2000 £	1999 £
Trade debtors	59,854	36,601
Other debtors	20,113	19,459
Prepayments & accrued income	34,367	29,543
	<hr/>	<hr/>
	114,334	85,603
	<hr/>	<hr/>

Included within other debtors are loans made to directors. These sums were also the maximum amounts outstanding.

	£
AD Durie	3,965
JM Bond	5,000
D Mears	5,000

The loans are interest free and there is no fixed date for repayment.

Spillers of Chard Limited

Notes to the Financial Statements
for the Year Ended 30 September 2000

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

	2000	1999
	£	£
Trade creditors	379,553	262,717
Payments on account	246,176	239,952
Hire purchase	40,169	42,948
Amounts owed to group undertakings	170,000	153,000
Other creditors including taxation and social security	88,342	79,269
Corporation tax	78,380	24,488
Accruals and deferred income	25,315	23,739
	<u>1,027,935</u>	<u>826,113</u>

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

	2000	1999
	£	£
Hire purchase	40,084	27,664
Amounts owed to group undertakings	290,000	290,000
	<u>330,084</u>	<u>317,664</u>

13. OBLIGATIONS UNDER LEASING AGREEMENTS

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

	2000	1999
	£	£
Expiring:		
Within one year	-	343
Between one and five years	5,495	1,856
In more than five years	-	2,952
	<u>5,495</u>	<u>5,151</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

	2000	1999
	£	£
Deferred taxation	<u>27,184</u>	<u>15,749</u>
	Deferred taxation	
	£	
Balance at 1 October 1999	15,749	
Increase in provision	<u>11,435</u>	
Balance at 30 September 2000	<u>27,184</u>	

Spillers of Chard Limited

Notes to the Financial Statements for the Year Ended 30 September 2000

15. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value: £1	2000 £ <u>100,000</u>	1999 £ <u>100,000</u>
100,000	Ordinary shares			

Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	2000 £ <u>10,000</u>	1999 £ <u>10,000</u>
10,000	Ordinary shares			

16. CAPITAL COMMITMENTS

	2000 £ <u>231,420</u>	1999 £ <u>-</u>
Contracted but not provided for in the financial statements		

During the year building works commenced on extending the current property, the work will be completed during the year ended 30 September 2001 at an estimated additional cost of £231,420.

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £ <u>211,323</u>	1999 £ <u>88,368</u>
Profit for the financial year		
Net addition to shareholders' funds	211,323	88,368
Opening shareholders' funds	<u>297,928</u>	<u>209,560</u>
Closing shareholders' funds	<u>509,251</u>	<u>297,928</u>
Equity interests	<u>509,251</u>	<u>297,928</u>

18. HOLDING COMPANY

At the end of the period the ultimate holding company is Figment Properties Limited, a close company. Mrs C Durie and A D Durie, directors of Spillers of Chard Limited, are also directors of Figment Properties Limited which they control.