

2049497

Report of the Directors and
Financial Statements
for the Year Ended 30 September 2004
for
Spillers of Chard Limited



Spillers of Chard Limited

Contents of the Financial Statements
for the Year Ended 30 September 2004

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Cash Flow Statement	6
Notes to the Cash Flow Statement	7
Notes to the Financial Statements	9
Trading and Profit and Loss Account	16

Spillers of Chard Limited

Company Information
for the Year Ended 30 September 2004

DIRECTORS:

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

SECRETARY:

D Mears ACA

REGISTERED OFFICE:

The Aga Cooker Centre
Chard Business Park
CHARD
Somerset
TA20 1FA

REGISTERED NUMBER:

2049497 (England and Wales)

AUDITORS:

A C Mole & Sons
Chartered Accountants
& Registered Auditors
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Spillers of Chard Limited

Report of the Directors for the Year Ended 30 September 2004

The directors present their report with the financial statements of the company for the year ended 30 September 2004.

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.

DIVIDENDS

No dividends are proposed for the year ended 30 September 2004.

DIRECTORS

The directors during the year under review were:

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

The directors holding office at 30 September 2004 did not hold any beneficial interest in the issued share capital of the company at 1 October 2003 or 30 September 2004.

Mrs C Durie and Mr A D Durie have interests in the share capital of the ultimate holding company Croscard Limited. Details of the holdings in that company will be disclosed in the financial statements of Croscard 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

Date: 20-04-05

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

We have audited the financial statements of Spillers of Chard Limited for the year ended 30 September 2004 on pages four to fifteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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

We report to you our opinion as to whether the financial statements 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 Report of the Directors is not consistent with the financial statements, 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 information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

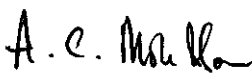
Basis of audit opinion

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 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 2004 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
Chartered Accountants
& Registered Auditors
Stafford House
Blackbrook Park Avenue
Taunton
Somerset
TA1 2PX

Date: 28 April 2005

Spillers of Chard Limited

Profit and Loss Account
for the Year Ended 30 September 2004

	Notes	2004		2003	
		£	£	£	£
TURNOVER	2		6,130,970		5,812,732
Cost of sales			4,469,236		4,275,194
GROSS PROFIT			1,661,734		1,537,538
Distribution costs		273,151		282,744	
Administrative expenses		1,128,218		1,100,280	
			1,401,369		1,383,024
OPERATING PROFIT	4		260,365		154,514
Interest receivable and similar income	5		14,332		14,691
			274,697		169,205
Interest payable and similar charges	6		16,986		23,060
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			257,711		146,145
Tax on profit on ordinary activities	7		104,049		33,291
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			153,662		112,854
Retained profit brought forward			820,627		707,773
RETAINED PROFIT CARRIED FORWARD			£974,289		£820,627

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.


Spillers of Chard Limited

Balance Sheet

30 September 2004

		2004		2003	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		1,371,806		1,318,831
CURRENT ASSETS:					
Stocks	9	631,403		539,178	
Debtors	10	117,751		162,699	
Cash at bank		549,010		550,484	
		1,298,164		1,252,361	
CREDITORS: Amounts falling due within one year	11	1,310,952		1,418,459	
NET CURRENT LIABILITIES:			(12,788)		(166,098)
TOTAL ASSETS LESS CURRENT LIABILITIES:			1,359,018		1,152,733
CREDITORS: Amounts falling due after more than one year	12		(311,594)		(285,606)
PROVISIONS FOR LIABILITIES AND CHARGES:	14		(63,135)		(36,500)
			<u>£984,289</u>		<u>£830,627</u>
CAPITAL AND RESERVES:					
Called up share capital	15		10,000		10,000
Profit and loss account			974,289		820,627
SHAREHOLDERS' FUNDS:	18		<u>£984,289</u>		<u>£830,627</u>

ON BEHALF OF THE BOARD:



Mrs C Durie - Director

Approved by the Board on 20.04.05

Spillers of Chard Limited**Cash Flow Statement****for the Year Ended 30 September 2004**

	Notes	2004		2003	
		£	£	£	£
Net cash inflow from operating activities	1		190,390		190,641
Returns on investments and servicing of finance	2		(2,654)		(8,369)
Taxation			(26,684)		(18,351)
Capital expenditure	2		(162,526)		(114,865)
(Decrease)/Increase in cash in the period			<u>£(1,474)</u>		<u>£49,056</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/Increase in cash in the period			(1,474)		49,056
Cash outflow from decrease in debt and lease financing			<u>14,859</u>		<u>60,709</u>
Change in net funds resulting from cash flows			<u>13,385</u>		<u>109,765</u>
Movement in net funds in the period			<u>13,385</u>		<u>109,765</u>
Net funds at 1 October			<u>525,019</u>		<u>415,254</u>
Net funds at 30 September			<u>£538,404</u>		<u>£525,019</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 2004

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

	2004 £	2003 £
Operating profit	260,365	154,514
Depreciation charges	100,660	101,705
Loss on sale of fixed assets	8,891	24,138
Profit on sale of fixed assets	-	(216)
Increase in stocks	(92,225)	(78,424)
Decrease/(Increase) in debtors	44,948	(53,154)
(Decrease)/Increase in creditors	(132,249)	42,078
	<u> </u>	<u> </u>
Net cash inflow from operating activities	<u>190,390</u>	<u>190,641</u>

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

	2004 £	2003 £
Returns on investments and servicing of finance		
Interest received	14,332	14,691
Interest paid	(15,754)	(15,789)
Interest element of hire purchase or finance lease rentals payments	(1,232)	(7,271)
	<u> </u>	<u> </u>
Net cash outflow for returns on investments and servicing of finance	<u>(2,654)</u>	<u>(8,369)</u>
 Capital expenditure		
Purchase of tangible fixed assets	(180,380)	(205,554)
Sale of tangible fixed assets	17,854	90,689
	<u> </u>	<u> </u>
Net cash outflow for capital expenditure	<u>(162,526)</u>	<u>(114,865)</u>

Spillers of Chard Limited**Notes to the Cash Flow Statement**
for the Year Ended 30 September 2004**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.10.03 £	Cash flow £	At 30.9.04 £
Net cash:			
Cash at bank	550,484	(1,474)	549,010
	<u>550,484</u>	<u>(1,474)</u>	<u>549,010</u>
Debt:			
Hire purchase or finance leases	(25,465)	14,859	(10,606)
	<u>(25,465)</u>	<u>14,859</u>	<u>(10,606)</u>
Total	<u>525,019</u>	<u>13,385</u>	<u>538,404</u>
Analysed in Balance Sheet			
Cash at bank	550,484		549,010
Hire purchase or finance leases			
within one year	(14,859)		(10,606)
after one year	<u>(10,606)</u>		<u>-</u>
	<u>525,019</u>		<u>538,404</u>

Spillers of Chard Limited

Notes to the Financial Statements for the Year Ended 30 September 2004

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 and Display equipment	- 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.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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.

2. TURNOVER

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

3. STAFF COSTS

	2004	2003
	£	£
Wages and salaries	1,034,364	1,019,439
Social security costs	114,410	110,891
Other pension costs	24,409	26,039
	<u>1,173,183</u>	<u>1,156,369</u>

Spillers of Chard Limited

Notes to the Financial Statements
for the Year Ended 30 September 2004

3. STAFF COSTS - continued

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

	2004	2003
Salaried	25	23
Waged	16	17
	—	—
	41	40
	==	==

4. OPERATING PROFIT

The operating profit is stated after charging:

	2004	2003
	£	£
Depreciation - owned assets	89,369	82,361
Depreciation - assets on hire purchase contracts or finance leases	11,291	19,344
Loss on disposal of fixed assets	8,891	23,922
Auditors' remuneration	9,190	10,315
Operating lease payments	33,400	31,701
Hire of machinery	542	529
	=====	=====
Directors' emoluments	284,275	325,918
Directors' pension contributions to money purchase schemes	10,800	10,800
Past directors' excess retirement benefits	7,500	7,500
	=====	=====

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

Money purchase schemes	5	5
	==	==

Information regarding the highest paid director is as follows:

	2004	2003
	£	£
Emoluments etc	71,088	101,947
Pension contributions to money purchase schemes	2,400	1,200
	=====	=====

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2004	2003
	£	£
Deposit account interest	14,311	14,689
Other interest received	21	2
	=====	=====
	14,332	14,691
	=====	=====

Spillers of Chard Limited

Notes to the Financial Statements
for the Year Ended 30 September 2004

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Bank interest	17	61
Interest on loan from parent company	15,737	15,651
Interest on late tax payment	-	77
Hire purchase	1,232	7,271
	<u>16,986</u>	<u>23,060</u>

7. TAXATION

Analysis of the tax charge

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

	2004	2003
	£	£
Current tax:		
UK corporation tax	<u>77,414</u>	<u>26,684</u>
Deferred tax:		
Effect of changed tax rate on opening liability	21,131	1,495
Origination and reversal of timing differences	<u>5,504</u>	<u>5,112</u>
Total deferred tax	<u>26,635</u>	<u>6,607</u>
Tax on profit on ordinary activities	<u>104,049</u>	<u>33,291</u>

UK corporation tax has been charged at 27.80% (2003 - 19%).

Spillers of Chard Limited

**Notes to the Financial Statements
for the Year Ended 30 September 2004**

8. TANGIBLE FIXED ASSETS

	Freehold property	Plant and machinery and Display equipment	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST:					
At 1 October 2003	1,093,122	46,410	125,542	384,286	1,649,360
Additions	82,515	6,327	57,049	34,489	180,380
Disposals	-	-	(19,289)	(66,634)	(85,923)
At 30 September 2004	1,175,637	52,737	163,302	352,141	1,743,817
DEPRECIATION:					
At 1 October 2003	82,474	33,587	63,721	150,747	330,529
Charge for year	20,650	4,317	21,330	54,363	100,660
Eliminated on disposals	-	-	(11,838)	(47,340)	(59,178)
At 30 September 2004	103,124	37,904	73,213	157,770	372,011
NET BOOK VALUE:					
At 30 September 2004	1,072,513	14,833	90,089	194,371	1,371,806
At 30 September 2003	1,010,648	12,823	61,821	233,539	1,318,831

Included within freehold property is land with a value of £143,420 which has not been depreciated.

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 2003	110,880
Transferred to ownership	(45,120)
At 30 September 2004	65,760
DEPRECIATION:	
At 1 October 2003	38,719
Charge for year	11,291
Transferred to ownership	(23,526)
At 30 September 2004	26,484
NET BOOK VALUE:	
At 30 September 2004	39,276
At 30 September 2003	72,161

Spillers of Chard Limited

Notes to the Financial Statements
for the Year Ended 30 September 2004

9. STOCKS

	2004	2003
	£	£
Goods for resale	631,403	539,178

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

	2004	2003
	£	£
Trade debtors	63,441	94,138
Other debtors	10,357	10,257
Prepayments & accrued income	43,953	58,304
	117,751	162,699

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

£

JM Bond	5,000
D Mears	5,000

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

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

	2004	2003
	£	£
Trade creditors	474,376	452,347
Payments on account	620,925	680,582
Hire purchase	10,606	14,859
Amounts owed to group undertakings	-	47,500
Other creditors including taxation and social security	99,634	115,883
Corporation tax	77,414	26,684
Accruals and deferred income	27,997	80,604
	1,310,952	1,418,459

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

	2004	2003
	£	£
Hire purchase	-	10,606
Amounts owed to group undertakings	311,594	275,000
	311,594	285,606

Spillers of Chard Limited

Notes to the Financial Statements
for the Year Ended 30 September 2004

13. OPERATING LEASE COMMITMENTS

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

	Operating leases	
	2004	2003
	£	£
Expiring:		
Within one year	10,605	14,893
Between one and five years	11,440	16,732
	<u>22,045</u>	<u>31,625</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

	2004	2003
	£	£
Deferred taxation	<u>63,135</u>	<u>36,500</u>
	Deferred tax	
	£	
Balance at 1 October 2003	36,500	
Increase in provision	<u>26,635</u>	
Balance at 30 September 2004	<u>63,135</u>	

15. CALLED UP SHARE CAPITAL

Authorised:			2004	2003
Number:	Class:	Nominal value:	£	£
100,000	Ordinary shares	£1	<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2004	2003
			£	£
10,000	Ordinary shares	£1	<u>10,000</u>	<u>10,000</u>

16. CAPITAL COMMITMENTS

	2004	2003
	£	£
Contracted but not provided for in the financial statements	<u>-</u>	<u>70,000</u>

17. RELATED PARTY DISCLOSURES

During the year the company paid interest on a loan from Croscard Limited, its holding company. The total amount of interest paid during the year was £15,737.

Spillers of Chard Limited

Notes to the Financial Statements
for the Year Ended 30 September 2004

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Profit for the financial year	153,662	112,854
Net addition to shareholders' funds	153,662	112,854
Opening shareholders' funds	830,627	717,773
Closing shareholders' funds	984,289	830,627
Equity interests	984,289	830,627

19. HOLDING COMPANY

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

Spillers of Chard Limited

Trading and Profit and Loss Account
for the Year Ended 30 September 2004

	2004		2003	
	£	£	£	£
Sales		6,130,970		5,812,732
Cost of sales:				
Opening stock	539,178		460,754	
Purchases	4,180,572		3,962,155	
Wages	343,965		348,892	
Social security	34,348		32,937	
Subcontractors	2,576		9,634	
	5,100,639		4,814,372	
Closing stock	(631,403)		(539,178)	
		4,469,236		4,275,194
GROSS PROFIT		1,661,734		1,537,538
Other income:				
Deposit account interest	14,311		14,689	
Other interest received	21		2	
		14,332		14,691
		1,676,066		1,552,229
Expenditure:				
Directors' remuneration	247,075		283,038	
Pension contributions	10,800		10,800	
Motor and travel expenses	80,784		87,946	
Postage and stationery	26,086		29,168	
Advertising	166,281		165,630	
Salaries	443,324		387,509	
Social security	80,062		77,954	
Pension contributions	13,609		15,239	
Healthcare and life insurance	10,737		9,680	
Telephone	18,714		19,592	
Sponsorship, show fees and demonstrations	7,213		4,849	
Plant and equipment expenses	2,694		2,218	
Office equipment expenses	47,239		27,328	
Premises repairs	4,933		5,370	
Training	6,687		9,410	
Clothing	2,089		2,573	
Security	16,670		9,591	
Commissions	943		1,047	
Sundry expenses	9,885		10,415	
Audit and accountancy	9,190		10,315	
Legal and professional fees	16,795		1,102	
Bad debts	(104)		2,224	
Rates	4,405		15,439	
Insurance	34,814		33,773	
Light and heat	12,387		12,087	
		1,273,312		1,234,297
Carried forward		402,754		317,932

This page does not form part of the statutory financial statements

Spillers of Chard Limited**Trading and Profit and Loss Account**
for the Year Ended 30 September 2004

	2004		2003	
	£	£	£	£
Brought forward		402,754		317,932
Finance costs:				
Bank interest	17		61	
Interest on loan from parent company	15,737		15,651	
Interest on late tax payment	-		77	
Hire purchase	1,232		7,271	
Bank charges	18,504		23,100	
		<u>35,490</u>		<u>46,160</u>
		367,264		271,772
Depreciation:				
Freehold property	20,650		20,400	
Plant & machinery	4,317		4,150	
Fixtures & fittings	21,330		13,147	
Motor vehicles	54,365		64,008	
		<u>100,662</u>		<u>101,705</u>
		266,602		170,067
(Loss)/Profit on disposal of fixed assets:				
Fixtures & fittings	(7,451)		216	
Motor vehicles	(1,440)		(24,138)	
		<u>(8,891)</u>		<u>(23,922)</u>
NET PROFIT		<u><u>£257,711</u></u>		<u><u>£146,145</u></u>