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Report of the Directors and
Financial Statements
for the Year Ended 30 September 2001
for
Spillers of Chard Limited



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Spillers of Chard Limited

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for the Year Ended 30 September 2001

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Spillers of Chard Limited

Company Information
for the Year Ended 30 September 2001

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 2001**

The directors present their report with the financial statements of the company for the year ended 30 September 2001.

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 completion of expansion into extended showrooms which has enhanced greatly the range of products on display and gives 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 2001.

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 2001 did not hold any beneficial interest in the issued share capital of the company at 1 October 2000 or 30 September 2001.

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

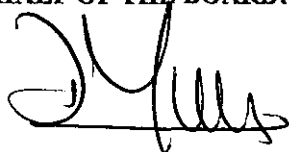
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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: 02-05-02

Spillers of Chard Limited

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 2001 on pages four to fourteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 2001 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
Billetfield
Taunton

Dated: 8 May 2002.

Spillers of Chard Limited**Profit and Loss Account**
for the Year Ended 30 September 2001

	Notes	2001		2000	
		£	£	£	£
TURNOVER	2		4,617,267		4,147,402
Cost of sales			3,351,544		2,983,165
GROSS PROFIT			1,265,723		1,164,237
Distribution costs		210,307		175,830	
Administrative expenses		904,699		684,073	
			1,115,006		859,903
OPERATING PROFIT	4		150,717		304,334
Interest receivable and similar income	5		22,006		28,958
			172,723		333,292
Interest payable and similar charges	6		30,974		30,866
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			141,749		302,426
Tax on profit on ordinary activities	7		32,771		91,103
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			108,978		211,323
Retained profit brought forward			499,251		287,928
RETAINED PROFIT CARRIED FORWARD			£608,229		£499,251

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 2001**

	Notes	2001		2000	
		£	£	£	£
FIXED ASSETS:					
Tangible assets	8		1,281,662		947,849
CURRENT ASSETS:					
Stocks	9	407,122		276,181	
Debtors	10	138,586		114,334	
Cash at bank		202,745		556,090	
		748,453		946,605	
CREDITORS: Amounts falling due within one year	11	1,065,571		1,027,935	
NET CURRENT LIABILITIES:			(317,118)		(81,330)
TOTAL ASSETS LESS CURRENT LIABILITIES:			964,544		866,519
CREDITORS: Amounts falling due after more than one year	12		(311,273)		(330,084)
PROVISIONS FOR LIABILITIES AND CHARGES:	14		(35,042)		(27,184)
			£618,229		£509,251
CAPITAL AND RESERVES:					
Called up share capital	15		10,000		10,000
Profit and loss account			608,229		499,251
SHAREHOLDERS' FUNDS:	17		£618,229		£509,251

ON BEHALF OF THE BOARD:


Mrs C Durie - DIRECTOR

Approved by the Board on 02-05-02

Spillers of Chard Limited**Cash Flow Statement
for the Year Ended 30 September 2001**

	Notes	2001		2000	
		£	£	£	£
Net cash inflow from operating activities	1		178,967		530,339
Returns on investments and servicing of finance	2		(8,968)		(1,908)
Taxation			(79,968)		(25,776)
Capital expenditure	2		(443,376)		(350,437)
(Decrease)/Increase in cash in the period			<u>£(353,345)</u>		<u>£152,218</u>
<hr/>					
Reconciliation of net cash flow to movement in net funds	3				
(Decrease)/Increase in cash in the period		(353,345)		152,218	
Cash inflow from increase in debt and lease financing		<u>(17,841)</u>		<u>(9,641)</u>	
Change in net funds resulting from cash flows			<u>(371,186)</u>		<u>142,577</u>
Movement in net funds in the period			<u>(371,186)</u>		<u>142,577</u>
Net funds at 1 October			<u>475,837</u>		<u>333,260</u>
Net funds at 30 September			<u>£104,651</u>		<u>£475,837</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 2001**1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2001 £	2000 £
Operating profit	150,717	304,334
Depreciation charges	105,156	71,906
Loss on sale of fixed assets	4,908	3,682
Profit on sale of fixed assets	(501)	(3,128)
(Increase)/Decrease in stocks	(130,941)	21,926
Increase in debtors	(24,252)	(28,731)
Increase in creditors	73,880	160,350
	<hr/>	<hr/>
Net cash inflow from operating activities	178,967	530,339
	<hr/>	<hr/>

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

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest received	22,006	28,958
Interest paid	(22,611)	(22,152)
Interest element of hire purchase or finance lease rentals payments	(8,363)	(8,714)
	<hr/>	<hr/>
Net cash outflow for returns on investments and servicing of finance	(8,968)	(1,908)
	<hr/>	<hr/>
Capital expenditure		
Purchase of tangible fixed assets	(475,608)	(380,608)
Sale of tangible fixed assets	32,232	30,171
	<hr/>	<hr/>
Net cash outflow for capital expenditure	(443,376)	(350,437)
	<hr/>	<hr/>

Spillers of Chard Limited

Notes to the Cash Flow Statement
for the Year Ended 30 September 2001

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.00 £	Cash flow £	At 30.9.01 £
Net cash:			
Cash at bank	556,090	(353,345)	202,745
	<u>556,090</u>	<u>(353,345)</u>	<u>202,745</u>
Debt:			
Hire purchase or finance leases	(80,253)	(17,841)	(98,094)
	<u>(80,253)</u>	<u>(17,841)</u>	<u>(98,094)</u>
Total	<u>475,837</u>	<u>(371,186)</u>	<u>104,651</u>
Analysed in Balance Sheet			
Cash at bank	556,090		202,745
Hire purchase or finance leases			
within one year	(40,169)		(61,821)
after one year	(40,084)		(36,273)
	<u>475,837</u>		<u>104,651</u>

Spillers of Chard Limited

Notes to the Financial Statements for the Year Ended 30 September 2001

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 that 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

	2001	2000
	£	£
Wages and salaries	861,473	696,088
Social security costs	92,524	72,833
Other pension costs	49,706	40,925
	<hr/>	<hr/>
	1,003,703	809,846
	<hr/>	<hr/>

Spillers of Chard Limited

Notes to the Financial Statements for the Year Ended 30 September 2001

3. STAFF COSTS - continued

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

	2001	2000
Salaried	16	15
Waged	17	15
	<u>33</u>	<u>30</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2001	2000
	£	£
Depreciation - owned assets	52,971	49,098
Depreciation - assets on hire purchase contracts or finance leases	52,185	22,808
Loss on disposal of fixed assets	4,407	554
Auditors' remuneration	5,955	5,730
Operating lease payments	8,702	5,036
Hire of machinery	1,724	1,277
	<u>289,845</u>	<u>211,702</u>
Directors' emoluments	27,800	36,500
Directors' pension contributions to money purchase schemes	7,500	7,500
Past directors' excess retirement benefits	<u>7,500</u>	<u>7,500</u>

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

Money purchase schemes	4	4
	<u>4</u>	<u>4</u>

Information regarding the highest paid director is as follows:

	2001	2000
	£	£
Emoluments etc	93,544	62,552
Pension contributions to money purchase schemes	11,200	17,100
	<u>104,744</u>	<u>79,652</u>

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2001	2000
	£	£
Deposit account interest	22,006	28,958
	<u>22,006</u>	<u>28,958</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2001	2000
	£	£
Interest on loan from parent company	22,611	22,086
Interest on late tax payment	-	66
Hire purchase	8,363	8,714
	<u>30,974</u>	<u>30,866</u>

Spillers of Chard Limited**Notes to the Financial Statements
for the Year Ended 30 September 2001****7. TAXATION**

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

	2001	2000
	£	£
UK corporation tax	23,325	78,380
Under provision in prior years	1,588	1,288
Transfer to deferred tax	7,858	11,435
	<u>32,771</u>	<u>91,103</u>

UK corporation tax has been charged at 24.27% (2000 - 26.45%).

8. TANGIBLE FIXED ASSETS

	Freehold property	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST:					
At 1 October 2000	728,228	50,983	105,881	305,917	1,191,009
Additions	304,020	1,646	28,668	141,274	475,608
Disposals	-	(1,800)	(2,672)	(74,280)	(78,752)
At 30 September 2001	<u>1,032,248</u>	<u>50,829</u>	<u>131,877</u>	<u>372,911</u>	<u>1,587,865</u>
DEPRECIATION:					
At 1 October 2000	27,790	43,932	59,136	112,302	243,160
Charge for year	14,280	3,128	23,618	64,130	105,156
Eliminated on disposals	-	(1,735)	(1,281)	(39,097)	(42,113)
At 30 September 2001	<u>42,070</u>	<u>45,325</u>	<u>81,473</u>	<u>137,335</u>	<u>306,203</u>
NET BOOK VALUE:					
At 30 September 2001	<u>990,178</u>	<u>5,504</u>	<u>50,404</u>	<u>235,576</u>	<u>1,281,662</u>
At 30 September 2000	<u>700,438</u>	<u>7,051</u>	<u>46,745</u>	<u>193,615</u>	<u>947,849</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 2001

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 2000	152,410
Additions	141,274
Transferred to ownership	(22,811)
	<hr/>
At 30 September 2001	270,873
	<hr/>
DEPRECIATION:	
At 1 October 2000	32,832
Charge for year	52,185
Transferred to ownership	(11,042)
	<hr/>
At 30 September 2001	73,975
	<hr/>
NET BOOK VALUE:	
At 30 September 2001	196,898
	<hr/>
At 30 September 2000	119,578
	<hr/>

9. STOCKS

	2001 £	2000 £
Goods for resale	407,122	276,181
	<hr/>	<hr/>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Trade debtors	38,168	59,854
Other debtors	19,323	20,113
Prepayments & accrued income	81,095	34,367
	<hr/>	<hr/>
	138,586	114,334
	<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 2001**

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

	2001 £	2000 £
Trade creditors	364,464	379,553
Payments on account	299,568	246,176
Hire purchase	61,821	40,169
Amounts owed to group undertakings	100,000	170,000
Other creditors including taxation and social security	120,072	88,342
Corporation tax	23,325	78,380
Accruals and deferred income	96,321	25,315
	<u>1,065,571</u>	<u>1,027,935</u>

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

	2001 £	2000 £
Hire purchase	36,273	40,084
Amounts owed to group undertakings	275,000	290,000
	<u>311,273</u>	<u>330,084</u>

13. OBLIGATIONS UNDER LEASING AGREEMENTS

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

	2001 £	Operating leases 2000 £
Expiring:		
Within one year	706	-
Between one and five years	23,967	5,495
	<u>24,673</u>	<u>5,495</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

	2001 £	2000 £
Deferred taxation	35,042	27,184
	<u>35,042</u>	<u>27,184</u>
	Deferred tax	
	£	
Balance at 1 October 2000	27,184	
Increase in provision	7,858	
	<u>35,042</u>	
Balance at 30 September 2001	<u>35,042</u>	

Spillers of Chard Limited

Notes to the Financial Statements for the Year Ended 30 September 2001

15. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value: £1	2001 £	2000 £
100,000	Ordinary shares		<u>100,000</u>	<u>100,000</u>
Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	2001 £	2000 £
10,000	Ordinary shares		<u>10,000</u>	<u>10,000</u>

16. CAPITAL COMMITMENTS

	2001 £	2000 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>231,420</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the financial year	<u>108,978</u>	<u>211,323</u>
Net addition to shareholders' funds	108,978	211,323
Opening shareholders' funds	<u>509,251</u>	<u>297,928</u>
Closing shareholders' funds	<u>618,229</u>	<u>509,251</u>
Equity interests	<u>618,229</u>	<u>509,251</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.