

2313970

EMPIRE COOKER SPARES LIMITED
DIRECTORS REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997



EMPIRE COOKER SPARES LIMITED

YEAR ENDED 30 NOVEMBER 1997

COMPANY INFORMATION

DIRECTORS:

MRS C E ROODHOUSE

MR C P LORD

MR M R WOOD

SECRETARY:

MR T L LORD

COMPANY NUMBER:

2313970

REGISTERED
OFFICE:

CLARENCE WORKS

83 HUDDERSFIELD ROAD

STALYBRIDGE

CHESHIRE

SK15 2PT

AUDITORS:

STEPHEN SENIOR AND COMPANY

CHARTERED CERTIFIED ACCOUNTANTS

49 YORKSHIRE STREET

OLDHAM

OL1 3UN

EMPIRE COOKER SPARES LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 30 NOVEMBER 1997

The Directors present their report and the financial statements for the year ended 30 November 1997.

Statements 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 or other irregularities.

Principal Activity

The company's principal activity continues to be that of dealing in cooker spares and equipment.

Directors


The Directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:-

	Number of Shares	
	<u>1997</u>	<u>1996</u>
Mrs C Roodhouse	65	9
Mr C P Lord	20	-
Mr M R Wood (appointed 7.4.97)	5	-

Auditors

Stephen Senior and Company will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

This report, which has been prepared taking advantage of special exemptions applicable to small companies was approved by the board on 9 January 1998 and signed on its behalf.


.....
C E Roodhouse
Director

AUDITORS REPORT TO THE SHAREHOLDERS OF EMPIRE COOKER SPARES LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 2 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 opinion 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 November 1997 and of its results for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Stephen Senior and Company
Chartered Certified Accountants

49 Yorkshire Street
Oldham
OL1 3UN

9 January 1998

EMPIRE COOKER SPARES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
Turnover	1,2	693,808.83	521,440.86
Cost of Sales		477,562.95	366,587.01
GROSS PROFIT		216,245.88	154,853.85
Net Operating Expenses	3	199,244.27	146,003.11
OPERATING PROFIT	4	17,001.61	8,850.74
Exceptional Items		- -	- -
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		17,001.61	8,850.74
Interest Receivable		- -	0.44
Interest Payable	5	4,050.95	3,344.95
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,950.66	5,506.23
TAXATION OF PROFIT ON ORDINARY ACTIVITIES	6	2,549.95	1,223.86
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		10,400.71	4,282.37
Dividends	7	1,200.00	2,400.00
Retained Profit for the Year		9,200.71	1,882.37
Retained Profit brought forward		30,025.53	28,143.16
Retained Profit carried forward		39,226.24	30,025.53


EMPIRE COOKER SPARES LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
FIXED ASSETS			
Tangible Assets	8	11,495.00	7,078.00
CURRENT ASSETS			
Stocks	9	140,440.00	146,440.00
Debtors	10	85,220.41	74,343.99
Cash at Bank and in Hand		4,661.57	2,078.37
		<u>230,321.98</u>	<u>222,862.36</u>
CREDITORS - Amounts falling due within One Year	11	<u>198,124.23</u>	<u>197,671.98</u>
NET CURRENT ASSETS		<u>32,197.75</u>	<u>25,190.38</u>
Total Assets less Current Liabilities		<u>43,692.75</u>	<u>32,268.38</u>
CREDITORS - Amounts falling due after more than One Year	12	3,786.91	1,899.35
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred Tax	13	579.60	333.50
NET ASSETS		<u>39,326.24</u>	<u>30,035.53</u>
CAPITAL AND RESERVES			
Called Up Share Capital	15	100.00	10.00
Profit and Loss Account		<u>39,226.24</u>	<u>30,025.53</u>
SHAREHOLDERS EQUITY FUNDS	16	<u>39,326.24</u>	<u>30,035.53</u>

The Directors have taken advantage, in the preparation of these financial statements of special exemptions applicable to small companies on the grounds that the company qualifies as a small company by virtue of section 247 of the Companies Act 1985. The financial statements were approved by the board on 9 January 1998 and signed on its behalf.



 C E Roodhouse
 Director

EMPIRE COOKER SPARES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 1997

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

1.3 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor Vehicles	25% reducing balance basis
Fixtures and Fittings	15% reducing balance basis

1.4 Leasing and Hire Purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by financial leases are depreciated over the shorter of the lease term and their useful lives.

Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charges allocated to future periods. The finance element of the rental repayments is charged to profit and loss account so as to produce a constant periodic rate of charge on the net obligation in each period.

1.5 Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost or net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed assets and variable overheads.

1.6 Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the Directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

EMPIRE COOKER SPARES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 1997

2. TURNOVER

In the year to 30 November 1997 0.9% of the company's turnover was to markets outside the United Kingdom (1996 1.4%)

3. NET OPERATING EXPENSES

	<u>1997</u>	<u>1996</u>
Administration	121,292.04	72,251.20
Selling and Distribution	64,449.87	58,940.80
Financial	13,502.36	14,811.11
	<u>199,244.27</u>	<u>146,003.11</u>

4. OPERATING PROFIT

The operating profit is stated after charging:-

Depreciation of Tangible Fixed Assets		
- owned by the company	1,023.77	1,448.87
- held under Hire Purchase Contracts	1,885.00	- -
Auditors Remuneration	1,600.00	1,600.00
Directors Emoluments	46,818.80	24,486.00
Loss on Disposal of Tangible Fixed Assets and after crediting	- -	1,039.00
Profit on Disposal of Tangible Fixed Assets	<u>425.00</u>	<u>- -</u>

5. INTEREST PAYABLE

Included in interest payable is interest on hire purchase contracts of £173.90 (1996 £1,450.98)

6. TAXATION

UK Current Year Taxation		
UK Corporation Tax at 21% and 24% (1996 25% and 24%)	2,303.61	890.36
Transfer to Deferred Taxation	246.10	333.50
Underprovision in Previous Year	0.24	- -
	<u>2,549.95</u>	<u>1,223.86</u>

If provision were made for deferred taxation on the basis of the full potential liability, the tax charge would increase by £NIL (1996 £NIL) due to accelerated capital allowances.

7. DIVIDEND

The company voted an interim dividend of £15 per share on 25 November 1997.

EMPIRE COOKER SPARES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 1997

8.	TANGIBLE FIXED ASSETS	<u>Fittings & Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
	COST			
	At 01.12.96	9,147.89	1,700.00	10,847.89
	Additions	1,015.77	7,585.00	8,600.77
	Disposals	- -	1,700.00	1,700.00
		<u> </u>	<u> </u>	<u> </u>
	At 30.11.97	10,163.66	7,585.00	17,748.66
		<u> </u>	<u> </u>	<u> </u>
	DEPRECIATION			
	At 01.12.96	3,344.89	425.00	3,769.89
	Charge for the Year	1,023.77	1,885.00	2,908.77
	Deletion for Disposal	- -	425.00	425.00
		<u> </u>	<u> </u>	<u> </u>
	At 30.11.97	4,368.66	1,885.00	6,253.66
		<u> </u>	<u> </u>	<u> </u>
	NET BOOK VALUES			
	At 31.11.97	5,795.00	5,700.00	11,495.00
		<u> </u>	<u> </u>	<u> </u>
	At 30.11.96	5,803.00	1,275.00	7,078.00
		<u> </u>	<u> </u>	<u> </u>
	Included above are motor vehicles held under hire purchase contracts amounting to £5,700 (1996 £NIL)			
9.	STOCKS		<u>1997</u>	<u>1996</u>
	Raw Materials		140,440.00	146,440.00
			<u> </u>	<u> </u>
	Current replacement cost does not exceed book value.			
10.	DEBTORS			
	Due within One Year:			
	Trade Debtors		81,034.74	68,030.92
	Other Debtors		4,185.67	6,313.07
			<u> </u>	<u> </u>
			85,220.41	74,343.99
			<u> </u>	<u> </u>

EMPIRE COOKER SPARES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 1997

	<u>1997</u>	<u>1996</u>
11. CREDITORS - Amounts falling due within One Year:		
Bank Loans and Overdrafts (secured)	40,170.14	28,705.51
Net Obligations under Finance Lease and Hire Purchase Contracts (secured)	2,319.00	- -
Trade Creditors	137,276.48	157,586.56
Other Creditors	18,358.61	11,379.91
	<u>198,124.23</u>	<u>197,671.98</u>
Included within other creditors is an amount of £11,306.57 (1996 £4,076.81) relating to social security and other taxes.		
12. CREDITORS - Amounts falling due after more than One Year:		
Loans	115.16	1,899.35
Net Obligations under Finance Lease and Hire Purchase Contracts (secured)	3,671.75	- -
	<u>3,786.91</u>	<u>1,899.35</u>
13. DEFERRED TAXATION		
The provision for deferred taxation is made up of accelerated capital allowances. Full provision has been made for the liability in the sum of £579.60 (1996 £333.50)		
14. LEASING AND HIRE COMMITMENTS		
The annual commitments under operating leases and hire agreements are analysed according to the period in which each lease expires as follows:-		
Due within One Year	- -	3,750.00
Due between One and Five Years	23,547.33	15,039.33
Over Five Years	- -	- -
	<u>23,547.33</u>	<u>18,789.33</u>
15. CALLED UP SHARE CAPITAL		
Authorised		
Ordinary Shares of £1 each	100.00	100.00
Issued and Fully Paid		
Ordinary Shares of £1 each	100.00	100.00

A further 90 ordinary shares of £1 each were allotted at par to the existing shareholders on 18 March 1997. This was done to enable the company to restructure its shareholders base between all interested parties.

EMPIRE COOKER SPARES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 NOVEMBER 1997.

	<u>1997</u>	<u>1996</u>
16. MOVEMENT ON SHAREHOLDERS EQUITY FUNDS		
Profit for the Year	12,950.66	5,506.23
Less: Taxation	2,549.95	1,223.86
	<hr/>	<hr/>
	10,400.71	4,282.37
Less: Dividend	1,200.00	2,400.00
	<hr/>	<hr/>
	9,200.71	1,882.37
Issue of Share Capital	90.00	- -
Opening Shareholders Funds	30,035.53	28,153.16
	<hr/>	<hr/>
Closing Shareholders Funds	39,326.24	30,035.53
	<hr/> <hr/>	<hr/> <hr/>

17. CAPITAL COMMITMENTS

The company had no capital commitments at the end of either year.

18. RELATED PARTY TRANSACTIONS

The company rents its premises at Stalybridge from the Directors Mrs C Roodhouse, Mr C P Lord and during the year an amount of £6,850 was paid (1996 £5,700).

The company also traded on a commercial basis with Mr C P Lord in his capacity as a self employed Appliance repairer. During the year it invoiced the following in respect of parts and expenditure made on his behalf:

	<u>1997</u>	<u>1996</u>
Sales	4,254.79	4,990.66
Vehicle Hire	1,450.00	1,573.62
Electric and Gas	556.30	658.90
Telephone	105.00	140.00
Vehicle Repairs	- -	66.50
Packaging	- -	34.00

In addition Mr Lord performed work on the company's behalf and charged the company £537.50 during the period.