

2001 & 1997

31 MARCH 1995



Kenwood Marks Limited

Registered No. 2407362

DIRECTORS

T C Parker
T P Beech
G E Fridlington
P R Hotston
M J Lapham
P R Taylor

SECRETARY

D M Hatton

AUDITORS

Ernst & Young
Wessex House
19 Threefield Lane
Southampton
SO14 3QB

BANKERS

Midland Bank plc
PO Box 10
59 Old Christchurch Road
Bournemouth
BH1 1EH

REGISTERED OFFICE

New Lane
Havant
Hampshire
PO9 2NH

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 1995.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,940,000. The directors recommend a final ordinary dividend amounting to £1,940,000.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the year continued to be the holding of and licensing of Kenwood trademarks.

The directors continue to search for further opportunities for the company to develop the Kenwood brand.

DIRECTORS AND THEIR INTERESTS

The directors during the year were as follows:

T C Parker
T P Beech
G E Fridlington
P R Hotston
M J Lapham
P R Taylor

No director was interested in the shares of the company at any time during the year. All of the directors in office at 31 March 1995 are also directors of Kenwood Appliances plc and their interests in the shares of Kenwood Appliances plc fall to be dealt with in the accounts of that company.

AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the Board



D M Hatton

Secretary

10 August 1995

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE
ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on a 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 accounts 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.

REPORT OF THE AUDITORS
to the members of Kenwood Marks Limited

We have audited the accounts on pages 5 to 9 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

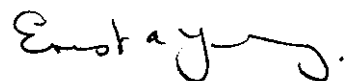
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Chartered Accountants
Registered Auditor
Southampton

21 AUG 1995

Kenwood Marks Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1995

| | <i>Notes</i> | <i>1995</i> <i>£000</i> | <i>1994</i> <i>£000</i> |
|---|--------------|----------------------------|----------------------------|
| TURNOVER | | | |
| Continuing operations | 2 | 3,699 | 3,923 |
| Exchange profit on translation of currency balances | | 21 | 12 |
| OPERATING PROFIT | | | |
| Continuing operations | 3 | 3,720 | 3,935 |
| Interest payable to group undertakings | | (824) | (606) |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 2,896 | 3,329 |
| Tax on profit on ordinary activities | 4 | 956 | 1,099 |
| PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT UNDERTAKING | | 1,940 | 2,230 |
| Dividends | 5 | 1,940 | 2,286 |
| RETAINED LOSS FOR THE YEAR | | - | (56) |

There are no gains or losses attributable to the members other than the profit for the year of £1,940,000 (1994: £2,230,000).

Kenwood Marks Limited

BALANCE SHEET

at 31 March 1995

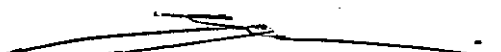
| | Notes | 1995 £000 | 1994 £000 |
|--|-------|--------------|--------------|
| CURRENT ASSETS | | | |
| Debtors | 6 | 14,709 | 11,670 |
| Creditors: amounts falling due within one year | 7 | 14,709 | 11,670 |
| NET CURRENT ASSETS | | <u>-</u> | <u>-</u> |
| CAPITAL AND RESERVES | | | |
| Share capital | 8 | - | - |
| Profit and loss account | 9 | - | - |
| SHAREHOLDERS' FUNDS - equity interests | | <u>-</u> | <u>-</u> |

T C Parker



Director

T P Beech



Director

10 August 1995

NOTES TO THE ACCOUNTS

at 31 March 1995

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Cash flow statement

The company has utilised the exemptions provided under Financial Reporting Standard No.1 and has not presented a cash flow statement. The cash flow statement has been presented in the group accounts of the ultimate parent undertaking.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

The turnover and profit before taxation is attributable to one continuing activity.

An analysis of turnover by geographical market is given below:

| | 1995 | 1994 |
|----------------|--------------|--------------|
| | £000 | £000 |
| United Kingdom | 2,802 | 3,115 |
| Europe | 803 | 731 |
| Australasia | 72 | 57 |
| Africa | 22 | 20 |
| | <u>3,699</u> | <u>3,923</u> |

3. AUDITORS' REMUNERATION

Auditors' remuneration for the year amounted to £1,000 (1994: £1,000) and the cost has been borne by a fellow subsidiary undertaking.

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

| | 1995 | 1994 |
|------------------------------------|------------|--------------|
| | £000 | £000 |
| Based on the profit for the year: | | |
| Corporation tax at 33% (1994: 33%) | 956 | 1,099 |
| Double taxation relief | (34) | (30) |
| | <u>922</u> | <u>1,069</u> |
| Overseas taxation | 34 | 30 |
| | <u>956</u> | <u>1,099</u> |

Kenwood Marks Limited

NOTES TO THE ACCOUNTS

at 31 March 1995

| | | |
|--|-------------|-------------|
| 5. DIVIDENDS | <i>1995</i> | <i>1994</i> |
| | <i>£000</i> | <i>£000</i> |
| Ordinary - final proposed: £970,000 per share (1994: £1,143,000 per share) | 1,940 | 2,286 |

| | | |
|--|-------------|-------------|
| 6. DEBTORS | <i>1995</i> | <i>1994</i> |
| | <i>£000</i> | <i>£000</i> |
| Amounts owed by fellow subsidiary undertakings | 14,709 | 11,670 |

| | | |
|--|-------------|-------------|
| 7. CREDITORS: amounts falling due within one year | <i>1995</i> | <i>1994</i> |
| | <i>£000</i> | <i>£000</i> |
| Current corporation tax | 421 | 1,069 |
| Amounts owed to parent undertaking | 14,100 | 10,525 |
| Amounts owed to subsidiary undertakings | 188 | 76 |
| | 14,709 | 11,670 |

| | | | | |
|----------------------------|-------------|-------------------|-------------|---|
| 8. SHARE CAPITAL | | <i>Authorised</i> | | <i>Allotted, called up and fully paid</i> |
| | <i>1995</i> | <i>1994</i> | <i>1995</i> | <i>1994</i> |
| | <i>No.</i> | <i>No.</i> | <i>£</i> | <i>£</i> |
| Ordinary shares of £1 each | 100 | 100 | 2 | 2 |

9. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

| | <i>Share capital £000</i> | <i>Profit and loss account £000</i> | <i>Total £000</i> |
|---------------------|-----------------------------------|---|-----------------------|
| At 1 April 1993 | - | 56 | 56 |
| Profit for the year | - | 2,230 | 2,230 |
| Dividend | - | (2,286) | (2,286) |
| At 1 April 1994 | - | - | - |
| Profit for the year | - | 1,940 | 1,940 |
| Dividend | - | (1,940) | (1,940) |
| At 31 March 1995 | - | - | - |

NOTES TO THE ACCOUNTS

at 31 March 1995

10. ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is Kenwood Appliances plc, registered in England.

The consolidated accounts of Kenwood Appliances plc are those of both the smallest and largest group of which the company is a member for which group accounts are prepared. The consolidated accounts can be obtained from the Company Secretary, Kenwood Appliances plc, New Lane, Havant, Hampshire, PO9 2NH.