

Park Rose Limited

Annual report

for the year ended 30 April 2000

Registered no: 2610531



Park Rose Limited

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Park Rose Limited

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Directors and advisers

Executive directors

N D F Rawson
S J Cann
A L Shaw
B J Berryman

Registered auditors

PricewaterhouseCoopers
Charnwood Court
New Walk
Leicester
LE1 6TE

Secretary and registered office

S J Cann
66 Lincoln's Inn Fields
London
WC2A 3LH

Bankers

Midland Bank plc
7 Westgate
Bridlington
East Yorkshire
YO16 4QD

Solicitors

Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

Director's report for the year ended 30 April 2000

The directors present their report and the audited financial statements for the year ended 30 April 2000.

Principal activity

The principal activity of the company in the year under review was that of the manufacture and retail of ceramic products.

Review of business and future developments

The profit and loss account for the year ended 30 April 2000 is set out on page 5.

The results reflect the reduction in manufacturing and the changing focus to a leisure park. The planning approval has taken longer than originally anticipated which is reflected in the continuing losses.

Dividends and transfers to reserves

The directors can not recommend the payment of a dividend (1999: £nil). The loss for the period of £251,809 (1999 loss: £216,524) will be transferred from reserves.

Directors

The directors of the company during the year ended 30 April 2000 are listed below.

N D F Rawson
D Hindle (resigned 15 October 1999)
B J Berryman
S J Cann
A L Shaw

No directors holding office during the year ending 30 April 2000 had a beneficial interest in the issued share capital of the company.

Both B J Berryman and S J Cann are directors of Swiss Cutlery (UK) Limited which holds a 100% interest in the share capital of the company at 30 April 2000 and their interests in the shares of this and other group companies are disclosed in the accounts of Swiss Cutlery (UK) Limited.

Mr A L Shaw and Mr N D F Rawson had no interests in the shares of other group companies at any time during the year.

Property values

In the opinion of the directors the market value of long leasehold buildings exceeds the net book value of £243,057 by approximately £100,000.

Directors' responsibilities

The directors are required by UK company law to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company as at the end of the financial period and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 30 April 2000. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on the going concern basis.

The directors are responsible for keeping proper accounting records, for taking reasonable steps to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Auditors

A resolution to reappoint PricewaterhouseCoopers as auditors to the company will be proposed at the annual general meeting.

By order of the board



Company secretary

Dated: 16/10/2000

Report of the auditors to the members of Park Rose Limited

We have audited the financial statements on pages 5 to 15.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the Annual Report. As described on page 3, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. We also report to you if, in our opinion, the directors' report 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit 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 at 30 April 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Leicester: *23rd October 2000*

**Profit and loss account
for the year ended 30 April 2000**

	Notes	2000 £	1999 £
Turnover - continuing operations	3	237,614	561,513
Cost of sales – continuing operations		(433,042)	(713,301)
Gross loss		(195,428)	(151,788)
Net operating expenses – continuing operations	4	(90,245)	(142,864)
Exceptional operating expenses	5	(73,985)	-
Operating loss - continuing operations		(359,658)	(294,652)
Interest receivable and similar income	6	2,957	-
Interest payable and similar charges	7	(2,346)	(7,589)
Loss on ordinary activities before taxation	10	(359,047)	(302,241)
Tax on loss on ordinary activities	11	107,238	85,717
Loss for the year	21	(251,809)	(216,524)

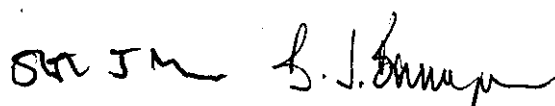
The company has no recognised gains or losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the loss for the year stated above, and their historical cost equivalents.

Balance sheet at 30 April 2000

	Notes	2000 £	1999 £
Fixed assets			
Tangible assets	12	412,941	253,080
Investments	13	1	1
		<u>412,942</u>	<u>253,081</u>
Current assets			
Stocks	14	21,847	192,577
Debtors	15	52,434	158,957
Cash at bank and in hand		5,985	6,667
		<u>80,266</u>	<u>358,201</u>
Creditors: amounts falling due within one year	16	<u>(93,356)</u>	<u>(241,484)</u>
Net current (liabilities)/assets		<u>(13,090)</u>	<u>116,717</u>
Total assets less current liabilities		<u>399,852</u>	<u>369,798</u>
Creditors: amounts falling due after more than one year	17	<u>(740,785)</u>	<u>(458,922)</u>
Net liabilities		<u>(340,933)</u>	<u>(89,124)</u>
Capital and reserves			
Called up share capital	20	90,000	90,000
Profit and loss account	21	(430,933)	(179,124)
Equity shareholders' funds	22	<u>(340,933)</u>	<u>(89,124)</u>

The financial statements on pages 5 to 15 were approved by the board of directors on 11/11/2000
were signed on behalf of the board by:



Director

Notes to the financial statements for the year ended 30 April 2000

1 Going concern

The company has made a loss before tax of £359,047 (1999: £302,241). The balance sheet shows net liabilities of £340,933 (1999: £89,124).

The accounts have been prepared under the going concern concept which assumes the company will have sufficient funds to continue to pay its debts as and when they fall due and thus continue to trade.

This assumption is based on the ongoing financial support of the ultimate parent company, Swiss Cutlery (UK) Limited. The directors have received confirmation of continued parent company support for twelve months from the date of approval of these accounts.

2 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

The financial statements contain information about Park Rose Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 228(2) of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the company is itself a wholly owned subsidiary undertaking and its immediate parent undertaking is established under the law of the United Kingdom.

Cash flow statement

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned.

The principal annual rates used for this purpose are:-

Leasehold property	- 20 years
Plant and equipment	- 5-10 years
Fixtures, fittings and office equipment	- 3-5 years
Motor vehicles	- 4 years

Assets in the course of construction are carried at cost and are not depreciated until they are brought into use.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost, including an appropriate proportion of production overheads, and net realisable value. Provision is made where necessary for obsolete, slow moving and defective stocks.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Pension costs

The company operates a defined contribution pension scheme for certain directors. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension costs charged to the profit and loss account are the contributions payable in respect of the accounting period.

3 Turnover

	2000 £	1999 £
Turnover by geographical markets is analysed as follows:		
United Kingdom	225,738	544,448
Rest of Europe	11,876	17,065
	<u>237,614</u>	<u>561,513</u>

4 Net operating expenses

	2000 £	1999 £
Continuing operations		
Distribution costs	55,246	109,810
Administrative expenses	34,999	33,054
	<u>90,245</u>	<u>142,864</u>

5 Exceptional operating expenses

The exceptional expenses relate to a debt due from a fellow subsidiary company, which was placed into receivership during the year and is now considered irrecoverable.

6 Interest receivable and similar income

	2000 £	1999 £
Bank interest	<u>2,957</u>	<u>-</u>

7 Interest payable and similar charges

	2000 £	1999 £
Interest payable on loans and overdrafts	2,346	7,578
Finance leases	-	11
	<u>2,346</u>	<u>7,589</u>

8 Directors emoluments

	2000 £	1999 £
Aggregate emoluments	20,270	27,809
Company pension contribution to money purchase scheme	633	750
	<u>20,903</u>	<u>28,559</u>

Included in aggregate emoluments is a termination payment to D Hindle of £8,000.

Retirement benefits were accruing to 1 director (1999: 1) under a defined contribution pension scheme during the year.

9 Employee information

	2000 Number	1999 Number
The average number of persons, including directors, employed by the company during the year was:		
By activity		
Production and sales	7	28
Management and administration	5	5
	<u>12</u>	<u>33</u>
Staff costs (for the above persons)	£	£
Wages and salaries	77,987	264,699
Social security costs	4,594	18,424
Other pension costs	820	2,092
	<u>83,401</u>	<u>285,215</u>

10 Loss on ordinary activities before taxation

	2000 £	1999 £
Loss on ordinary activities is stated after crediting:-		
Profit on sale of fixed assets	6,300	4,126
And charging:		
Depreciation charge for the year:		
Tangible fixed assets	40,306	41,206
Auditors remuneration	3,500	5,000
Operating leases - land and buildings	58,167	56,500
Operating leases - other	-	3,049
	<u>102,073</u>	<u>108,881</u>

11 Tax on loss on ordinary activities

	2000 £	1999 £
UK corporation tax at 30% (1999: 31%)		
Group relief	(107,238)	(85,600)
Adjustments in respect of prior years		
Corporation tax	-	(117)
	<u>(107,238)</u>	<u>(85,717)</u>

12 Tangible fixed assets

	Long leasehold property	Assets under course of construction	Plant and equipment	Fixture, fittings and other equipment	Motor vehicles	Totals
	£	£	£	£	£	£
Cost						
At 1 May 1999	354,349	-	284,221	84,078	60,842	783,490
Additions	36,041	112,738	31,914	19,474	-	200,167
Disposals	-	-	-	-	(41,982)	(41,982)
At 30 April 2000	390,390	112,738	316,135	103,552	18,860	941,675
Depreciation						
At 1 May 1999	128,465	-	271,384	75,612	54,949	530,410
Charge for the year	18,868	-	7,273	9,450	4,715	40,306
Disposals	-	-	-	-	(41,982)	(41,982)
At 30 April 2000	147,333	-	278,657	85,062	17,682	528,734
Net book value						
At 30 April 2000	243,057	112,738	37,478	18,490	1,178	412,941
Net book value						
At 30 April 1999	225,884	-	12,837	8,466	5,893	253,080

13 Shares in subsidiary undertakings

	2000 £	1999 £
Cost at 30 April 1999 and 30 April 2000	<u>1</u>	<u>1</u>

The company has the following wholly owned subsidiary undertaking, which is registered in England and Wales.

Company	Activities	Description of shares held	Proportion of nominal value of shares held
Alphabourne Limited	Dormant	Ordinary £1 shares	100%

14 Stocks

	2000 £	1999 £
Raw materials	-	37,010
Work in progress	-	17,314
Finished goods	21,847	138,253
	<u>21,847</u>	<u>192,577</u>

15 Debtors

	2000 £	1999 £
Trade debtors	28,153	26,445
Amounts owed by group undertakings	-	43,986
Corporation tax	-	48,280
Other debtors	13,459	-
Prepayments	10,822	40,246
	<u>52,434</u>	<u>158,957</u>

16 Creditors: amounts falling due within one year

	2000 £	1999 £
Loans	23,272	32,940
Trade creditors	43,291	100,702
Amounts due to group undertakings	-	60,463
Other taxation and social security	-	9,462
Accruals	26,793	37,917
	<u>93,356</u>	<u>241,484</u>

The loans are secured by a fixed and floating charge over the company's assets and carry interest at normal commercial rates.

17 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Loans	13,592	36,866
Amount due to subsidiary undertakings	331,675	331,675
Amounts due to parent undertaking	395,518	90,381
	<u>740,785</u>	<u>458,922</u>

The amounts due to the parent and subsidiary undertakings have no fixed repayment date and will not be repaid before 1 May 2001.

Loans are repayable as follows:-

	2000 £	1999 £
In one year or less	23,272	32,940
Between one and two years	13,592	23,273
Between two and five years	-	13,593
	<u>36,864</u>	<u>69,806</u>

The company has an unsecured loan from East Yorkshire Borough Council. The loan is repayable in annual instalments of £3,833 and carries interest at base rate plus 2%.

The company also has a mortgage repayable in monthly instalments of £1,620 which carries interest at base rate plus 3%.

18 Provisions for liabilities and charges

The deferred tax asset, which has not been recognised in the financial statements, is as follows: -

	2000 £	1999 £
Tax effect of timing differences		
Excess of tax allowances over depreciation	(6,948)	(11,005)
Losses	(1,529)	(2,257)
	<u>(8,477)</u>	<u>(13,262)</u>

19 Pension costs

The company operates a defined contribution pension scheme.

The pension cost charged represents contributions payable by the company to the fund and amounted to £820 (1999: £2,092). No amounts are included in accruals in respect of contributions payable to the scheme.

20 Called up share capital

	2000 £	1999 £
Authorised		
90,000 ordinary shares of £1 each	<u>90,000</u>	<u>90,000</u>
Allotted called up and full paid		
90,000 ordinary shares of £1 each	<u>90,000</u>	<u>90,000</u>

21 Profit and loss account

	£
At 1 May 1999	(179,124)
Loss for the year	<u>(251,809)</u>
At 30 April 2000	<u>(430,933)</u>

22 Reconciliation of movements in shareholders' funds

	30 April 2000 £	30 April 1999 £
Loss for the year	(251,809)	(216,524)
Opening shareholders' funds	(89,124)	127,400
Closing shareholders' funds	<u>(340,933)</u>	<u>(89,124)</u>

23 Capital commitments

There were outstanding capital commitments of £35,000 as at 30 April 2000 (1999: £nil).

24 Financial commitments

At 30 April 2000 the company had annual commitments under non-cancellable operating leases on land and buildings as follows:-

	2000 £	1999 £
Expiring in over five years	<u>61,500</u>	<u>56,500</u>

25 Related party disclosures

The company has not disclosed transactions with its parent company or its subsidiaries where the group shareholding is above 90% in accordance with the exemption under the terms of Financial Reporting Standard Number 8.

26 Ultimate parent company and controlling parties

The directors regard Swiss Cutlery (UK) Limited as the ultimate parent company by virtue of its 100% interest in the equity capital of Park Rose Limited. Copies of the parent company's financial statements are available from the company secretary, Swiss Cutlery (UK) Limited, Victorinox House, 163 Parker Drive, Leicester, LE4 0JP.

The directors regard D Walmsley, B J Berryman, K Woodward and M Andrews as the ultimate controlling parties, by virtue of their status as controlling trustees of a trust which holds a 100% interest in the equity capital of Swiss Cutlery (UK) Limited.