

**STYLES & BROWN LIMITED**  
**DIRECTORS' REPORT AND ABBREVIATED ACCOUNTS**  
**FOR THE PERIOD ENDED 6TH MAY 2000**

Company No. 3326979



**STYLES & BROWN LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	Mr B G Styles Mr I V Styles Mrs K J Styles Mrs M A Styles
<b>Secretary</b>	Mr I V Styles
<b>Company number</b>	3326979
<b>Registered office</b>	Axminster Power Tool Centre Millwey Rise Industrial Estate Axminster Devon
<b>Auditors</b>	Thompson Jenner 1 Colleton Crescent Exeter Devon EX2 4DG
<b>Solicitors</b>	Scott Rowe Axminster Devon EX13 5JD
<b>Bankers</b>	HSBC

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**STYLES & BROWN LIMITED**

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# STYLES & BROWN LIMITED

## DIRECTORS' REPORT

FOR THE PERIOD ENDED 6TH MAY 2000

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The directors present their report and the audited accounts for the company for the period ended 6th May 2000.

### Principal activities and review of business

The company's principal activity continued to be that of selling and hire of power and hand tools and workshop accessories, under the name Axminster Power Tool Centre.

Continued growth of the mail order sector will provide a sound basis for sales expansion throughout the next few years.

The establishment of further retail outlets is anticipated, especially in view of the encouraging results from our first satellite shop in Faversham.

From early returns we anticipate a continued growth in sales for the coming year.

### Results and dividends

The results for the period are set out in the profit and loss account on page 4, which show a profit achieved on ordinary activities before taxation of £110,114.

The directors consider the state of the company's affairs to be satisfactory. No dividend has been proposed for the year ended 6 May 2000 (1999 £48,000).

### Directors and their interests

The directors who held office during the period and their beneficial interests in the company's issued share capital are given below:

Name of director	Share type	At 6th May 2000	At 2nd May 1999
Mr B G Styles	Ordinary	25000	25000
Mr I V Styles	Ordinary	25000	25000
Mrs K J Styles	Ordinary	25000	25000
Mrs M A Styles	Ordinary	25000	25000

### Year 2000

Many computer systems which express dates using only the last two digits of the year may malfunction due to the date change to the Year 2000. This risk to the business relates not only to the company's computer systems, but also to some degree on those of the company's customers and suppliers.

The company suffered no impact from the Year 2000 date change nor did any its major customers, suppliers or trading partners.

# STYLES & BROWN LIMITED

## DIRECTORS' REPORT

FOR THE PERIOD ENDED 6TH MAY 2000

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### Statement of directors' responsibilities

Company law requires the directors to prepare accounts for each financial period which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those accounts the directors are required to:

Select suitable accounting policies and then apply them consistently;

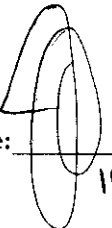
Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

Prepare the accounts 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 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.

By order of the Board

Date:  I. V. Smith  
16 August 2000

# **AUDITORS' REPORT TO STYLES & BROWN LIMITED**

## **UNDER SECTION 247B OF THE COMPANIES ACT 1985**

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We have examined the abbreviated accounts set out on pages 4 to 14 together with the accounts of Styles & Brown Limited for the period ended 6th May 2000 prepared under Section 226 of the Companies Act 1985.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

### **Basis of opinion**

We have carried out procedures we considered necessary to confirm, by reference to the audited accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full accounts.

### **Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 14 are properly prepared in accordance with that provision.



**Thompson Jenner**  
**Chartered Accountants and Registered Auditors**  
**1 Colleton Crescent**  
**Exeter**  
**Devon**  
**EX2 4DG**

**Date:**

# STYLES & BROWN LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD 2ND MAY 1999 TO 6TH MAY 2000

	Notes	2000 £	1999 £
<b>Gross profit</b>		<b>4,827,591</b>	<b>4,172,037</b>
Distribution costs		(638,087)	(646,517)
Administrative expenses		(3,949,191)	(2,960,602)
<b>Operating profit</b>	2	<b>240,313</b>	<b>564,918</b>
Interest payable and similar charges	3	(130,199)	(89,817)
<b>Profit on ordinary activities before taxation</b>		<b>110,114</b>	<b>475,101</b>
Tax on profit on ordinary activities	5	(22,180)	(99,072)
<b>Profit for the financial period</b>		<b>87,934</b>	<b>376,029</b>
Dividends	6	-	(48,000)
<b>Retained profit for the period</b>	15	<b>87,934</b>	<b>328,029</b>
<b>Retained profit brought forward</b>		<b>682,753</b>	<b>354,724</b>
<b>Retained profit carried forward</b>		<b>770,687</b>	<b>682,753</b>

All amounts relate to continuing activities.

There were no recognised gains or losses for 2000 or 1999 other than those included in the profit and loss account.

# STYLES & BROWN LIMITED

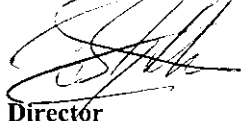
## ABBREVIATED BALANCE SHEET

AS AT 6TH MAY 2000

	Notes	£	2000 £	£	1999 £
<b>Fixed assets</b>					
Tangible assets	7		<u>508,003</u>		<u>497,701</u>
			<b>508,003</b>		<b>497,701</b>
<b>Current assets</b>					
Stocks	8	3,791,522		3,131,376	
Debtors	9	273,603		276,170	
Cash at bank and in hand		263,834		744,185	
		<u>4,328,959</u>		<u>4,151,731</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(3,913,326)</u>		<u>(3,757,256)</u>	
<b>Net current assets</b>			<b>415,633</b>		<b>394,475</b>
<b>Total assets less current liabilities</b>			<b>923,636</b>		<b>892,176</b>
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(52,949)</u>		<u>(109,423)</u>
			<u><b>870,687</b></u>		<u><b>782,753</b></u>
<b>Capital and reserves</b>					
Share capital	14		<b>100,000</b>		<b>100,000</b>
Profit and loss account	15		<u><b>770,687</b></u>		<u><b>682,753</b></u>
<b>Shareholders' funds</b>	16		<u><b>870,687</b></u>		<u><b>782,753</b></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

These accounts were approved by the board on 16 August 2000 and signed on its behalf by:



Director



# STYLES & BROWN LIMITED

## CASH FLOW STATEMENT

FOR THE PERIOD 2ND MAY 1999 TO 6TH MAY 2000

	Notes	2000 £	1999 £
<b>Reconciliation of operating profit to net cash flow from operating activities</b>			
Operating profit		240,313	564,918
Depreciation		148,875	122,240
Profit on sale of fixed assets		(4,600)	(12,763)
Increase in stocks		(660,146)	(625,367)
Decrease in debtors		2,567	5,224
Increase in creditors		329,594	134,794
<b>Net cash inflow from operating activities</b>		<b>56,603</b>	<b>189,046</b>
<b>CASH FLOW STATEMENT</b>			
<b>Net cash inflow from operating activities</b>		<b>56,603</b>	<b>189,046</b>
<b>Returns on investments and servicing of finance</b>	20	<b>(130,199)</b>	<b>(89,817)</b>
<b>Taxation</b>		<b>(91,641)</b>	<b>(135,469)</b>
<b>Capital expenditure and financial investment</b>	20	<b>(102,158)</b>	<b>(115,773)</b>
<b>Equity dividends paid</b>		<b>-</b>	<b>(48,000)</b>
<b>Cash outflow before use of liquid resources and financing</b>		<b>(267,395)</b>	<b>(200,013)</b>
<b>Financing</b>	20	<b>(127,715)</b>	<b>(106,758)</b>
<b>Decrease in cash</b>		<b>(395,110)</b>	<b>(306,771)</b>
<b>Reconciliation of net cash flow to movement in net debt</b>			
<b>Decrease in cash in the period</b>		<b>(395,110)</b>	<b>(306,771)</b>
Decrease in loans	21	127,715	106,758
New finance leases	21	(52,419)	(184,296)
<b>Increase in net debt</b>	21	<b>(319,814)</b>	<b>(384,309)</b>
<b>Net debt at 2nd May 1999</b>		<b>(2,160,628)</b>	<b>(1,776,319)</b>
<b>Net debt at 6th May 2000</b>	21	<b>(2,480,442)</b>	<b>(2,160,628)</b>

# STYLES & BROWN LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 6TH MAY 2000

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### 1 Accounting policies

#### Basis of accounting

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

#### Turnover

Turnover comprises the value of sales excluding value added tax and trade discounts.

#### Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates and periods generally applicable are:

Plant and machinery	15% straight line
Computer equipment	20% straight line
Motor vehicles	20% straight line
Hire equipment	25% straight line

#### Stocks

Stocks are stated at the lower of cost and net realisable value.

#### Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

#### Contribution to pension funds

The company operates two defined contribution pension schemes, one for directors and the other for employees, under which the pension costs charged against profits represent the amount of contributions payable to the schemes during the year.

#### Hire purchase and leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Profit and Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight line basis over the lease term.

#### Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling on the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of transaction. All differences are dealt with through the profit and loss account.

# STYLES & BROWN LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 6TH MAY 2000

### 2 Operating profit

*The operating profit is stated after charging or crediting:*

	2000	1999
	£	£
Depreciation of tangible fixed assets:		
-owned assets	75,592	66,781
-assets held under finance leases and hire purchase	73,283	55,459
Profit on disposal of fixed assets	(4,600)	(12,763)
Hire of equipment	4,342	3,771
Auditors' remuneration	7,400	7,800

### 3 Interest payable and similar charges

	2000	1999
	£	£
Finance leases and hire purchase contracts	17,047	9,449
Interest payable on other loans	113,152	80,368
	<b>130,199</b>	<b>89,817</b>

### 4 Directors and employees

Staff costs, including directors' remuneration, were as follows:

	2000	1999
	£	£
Wages and salaries	1,575,955	1,231,976
Social security costs	137,487	118,985
Other pension costs	93,294	86,956
	<b>1,806,736</b>	<b>1,437,917</b>

The average monthly number of employees, including directors, during the period was as follows:

	2000	1999
	Number	Number
Warehouse and Distribution	61	44
Sales	31	26
Management	23	22
	<b>115</b>	<b>92</b>

Directors' emoluments:

	2000	1999
	£	£
Aggregate emoluments	239,502	221,654
Directors' pension contributions under defined contribution schemes	58,224	63,036
	<b>297,726</b>	<b>284,690</b>

# STYLES & BROWN LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 6TH MAY 2000

	2000	1999
Retirement benefits were accruing to directors as follows:		
	<b>Number</b>	<b>Number</b>
Defined contribution pension scheme	<u>4</u>	<u>4</u>
<b>Highest paid director</b>		
	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments	<b>84,395</b>	<b>75,465</b>
Contributions to a money purchase pension scheme	<b>25,644</b>	<b>28,756</b>
	<u><b>110,039</b></u>	<u><b>104,221</b></u>
Highest paid director other information.		
Accrued pension	-	-
Other	-	-
	<u>-</u>	<u>-</u>
<b>5 Taxation</b>		
	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Based on the profit for the period:		
UK corporation tax at 20% (1999: 24.3%)	<b>20,791</b>	<b>90,252</b>
	<u><b>20,791</b></u>	<u><b>90,252</b></u>
Prior periods		
UK corporation tax	<b>1,389</b>	<b>8,820</b>
	<u><b>22,180</b></u>	<u><b>99,072</b></u>
<b>6 Dividends</b>		
	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Equity dividends		
Ordinary dividends - paid	-	<b>48,000</b>
Total equity dividends	<u>-</u>	<u><b>48,000</b></u>

# STYLES & BROWN LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 6TH MAY 2000

### 7 Tangible fixed assets

	Plant and machinery	Motor vehicles	Hire Equipment	Total
Cost	£	£	£	£
At 2nd May 1999	662,358	196,754	67,092	926,204
Additions	88,429	55,730	15,018	159,177
Disposals	-	-	(19,100)	(19,100)
<b>At 6th May 2000</b>	<b>750,787</b>	<b>252,484</b>	<b>63,010</b>	<b>1,066,281</b>
<b>Depreciation</b>				
At 2nd May 1999	289,469	83,357	55,677	428,503
Charge for the period	95,791	47,011	6,073	148,875
Disposals	-	-	(19,100)	(19,100)
<b>At 6th May 2000</b>	<b>385,260</b>	<b>130,368</b>	<b>42,650</b>	<b>558,278</b>
<b>Net book value</b>				
<b>At 6th May 2000</b>	<b>365,527</b>	<b>122,116</b>	<b>20,360</b>	<b>508,003</b>
<i>At 1st May 1999</i>	<i>372,889</i>	<i>113,397</i>	<i>11,415</i>	<i>497,701</i>

Assets held under finance leases and hire purchase originally cost £430,238 (1999: £367,721) and have a net book value of £274,709 (1999: £285,475). Depreciation charged for the period was £73,283 (1999: £55,459).

### 8 Stocks

	2000	1999
	£	£
Goods for resale	3,791,522	3,131,376
	<b>3,791,522</b>	<b>3,131,376</b>

### 9 Debtors

	2000	1999
	£	£
Trade debtors	245,342	258,308
Other debtors	11,050	-
Prepayments and accrued income	17,211	17,862
	<b>273,603</b>	<b>276,170</b>

# STYLES & BROWN LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 6TH MAY 2000

<b>10 Creditors: amounts falling due within one year</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Bank loans and overdraft	1,582,774	1,668,015
Obligations under hire purchase and finance lease (Note 12)	91,588	94,329
Trade creditors	798,013	549,702
Corporation tax	20,791	90,252
Other taxes and social security	263,338	191,539
Other creditors	1,122	135
Accruals and deferred income	138,735	130,238
Directors' loans	1,016,965	1,033,046
	<b>3,913,326</b>	<b>3,757,256</b>

Bank overdrafts, totalling £326,135 (1999: £781,849), are secured on assets of the company and rental properties held by the directors.

The hire purchase and finance leases are secured on the assets purchased, totalling £144,537 (1999: £203,752).

<b>11 Creditors: amounts falling due after more than one year</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Obligations under hire purchase and finance lease (Note 12)	52,949	109,423
	<b>52,949</b>	<b>109,423</b>

<b>12 Obligations under hire purchase and finance leases</b>	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Obligations under hire purchase contracts and finance leases are analysed between amounts payable:		
In the next year	91,588	94,329
In the second to fifth years inclusive	52,949	109,423
	<b>144,537</b>	<b>203,752</b>

### 13 Deferred taxation

Deferred taxation provided and unprovided for in the accounts is set out below. The amount unprovided represents a contingent liability at the balance sheet date and is calculated using a tax rate of 20% (1999: 30%).

	<b>Amount unprovided</b>	
	<b>2000</b>	<b>1999</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	18,132	27,199
	<b>18,132</b>	<b>27,199</b>

# STYLES & BROWN LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 6TH MAY 2000

<b>14</b>	<b>Share capital</b>	<b>2000</b>	<b>1999</b>
		<b>£</b>	<b>£</b>
	<b>Authorised</b>		
	<b>Equity shares</b>		
	1,000,000 Ordinary shares of £1.00 each	<u>1,000,000</u>	<u>1,000,000</u>
		<u>1,000,000</u>	<u>1,000,000</u>
	<b>Allotted</b>		
	<b>Equity shares</b>		
	100,000 Allotted, called up and fully paid ordinary shares of £1.00 each	<u>100,000</u>	<u>100,000</u>
		<u>100,000</u>	<u>100,000</u>
<b>15</b>	<b>Reserves</b>		
			<b>Profit and loss account</b>
			<b>£</b>
	At 4th May 1998		354,724
	Profit for the prior period		<u>328,029</u>
	At 2nd May 1999		682,753
	Profit for the period		<u>87,934</u>
	<b>At 6th May 2000</b>		<u><b>770,687</b></u>
<b>16</b>	<b>Reconciliation of movement in shareholders' funds</b>	<b>2000</b>	<b>1999</b>
		<b>£</b>	<b>£</b>
	Profit for the financial period	<b>87,934</b>	376,029
	Dividends	-	<u>(48,000)</u>
	Increase in the shareholders' funds	<u><b>87,934</b></u>	<u>328,029</u>
	Opening shareholders' funds	<u><b>782,753</b></u>	<u>454,724</u>
	Closing shareholders' funds	<u><b>870,687</b></u>	<u>782,753</u>

### 17 Pension scheme

The company operates two defined contribution pension scheme for the benefit of both the directors and the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the period amounted to £108,990 (1999: £86,956)

# STYLES & BROWN LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 6TH MAY 2000

### 18 Related parties

During the year the company rented property, at arms length, to the value of £97,545 from The Styles Family Partnership, a partnership held equally by the directors of Styles and Brown Limited.

The directors of Styles and Brown Limited have given a legal charge over private property owned by themselves individually and of property owned by The Styles Family Partnership, namely:

McNeil House, George Street, Axminster;  
Berwyn House, Chard Street, Axminster;  
Warehouse and offices at Millwey Rise Industrial Estate, Axminster;  
Unit 2 Millwey Rise, Axminster;  
Offices on land south east of Chard Street, Axminster;  
5 Purzebrook Close, Axminster

### 19 Contingent assets/liabilities

Contingent liabilities at the period end under documentary credits were:-

Documentary credits of £181,310

Guarantee dated 31 July 1997 for £270,000 in favour of HM Customs and Excise. No provision has been made in these financial statements.

### 20 Gross cash flows

	2000 £	1999 £
<b>Returns on investments and servicing of finance</b>		
Interest paid	(113,152)	(80,368)
Interest element of finance lease rentals payment	(17,047)	(9,449)
	<u>(130,199)</u>	<u>(89,817)</u>
<b>Capital expenditure and financial investment</b>		
Payments to acquire tangible fixed assets	(106,758)	(134,214)
Proceeds from the sale of tangible fixed assets	4,600	18,441
	<u>(102,158)</u>	<u>(115,773)</u>
<b>Financing</b>		
Decrease in directors' loans due within one year	(16,081)	(43,223)
Capital element of finance lease rentals payments	(111,634)	(63,535)
	<u>(127,715)</u>	<u>(106,758)</u>



# STYLES & BROWN LIMITED

## ABBREVIATED NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 6TH MAY 2000

### 21 Analysis of changes in net debt

	1999	Cash flows	Non-cash changes	2000
	£	£	£	£
Cash at bank and in hand	744,185	(480,351)	-	263,834
Overdrafts	(1,668,015)	85,241	-	(1,582,774)
	(923,830)	(395,110)	-	(1,318,940)
Debt due within one year	(1,033,046)	16,081	-	(1,016,965)
Finance leases	(203,752)	111,634	(52,419)	(144,537)
	<u>(2,160,628)</u>	<u>(267,395)</u>	<u>(52,419)</u>	<u>(2,480,442)</u>

### 22 Other commitments

During the year the company entered into foreign exchange contracts totalling £1,289,973 all of which mature within 12 months.