

ANTIQUÉ FURNITURE HIRE LIMITED

REPORT AND ACCOUNTS

for the year ended

30 APRIL 2002



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ANTIQUE FURNITURE HIRE LIMITED

REPORT AND ACCOUNTS for the year ended 30 April 2002

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ANTIQUE FURNITURE HIRE LIMITED

REPORT AND ACCOUNTS for the year ended 30 April 2002

DIRECTORS AND ADVISERS

DIRECTORS

P B McKay
D Blain

SECRETARY

P B McKay

REGISTERED OFFICE

189 Queen's Gate
London SW7 5EX

BANKERS

Natwest Bank plc
3rd Floor
2 Waterhouse Square
138 – 142 Holborn
London EC1N 2TH

ACCOUNTANTS AND BUSINESS ADVISORS

Smith & Williamson
No 1 Riding House Street
London W1A 3AS

AUDITORS

Nexia Audit Limited
No 1 Riding House Street
London W1A 3AS

COMPANY'S REGISTERED NUMBER

853129

ANTIQUE FURNITURE HIRE LIMITED

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 30 April 2002.

Activities

The principal activity of the company is purchasing antique furniture and renting it to hotels.

Review of business

In the opinion of the directors the state of the company's affairs is satisfactory. The directors expect to continue to expand the company's rental business in line with growth in the Hazlitt's Limited group of companies.

Results for the year

The profit for the year after taxation was £98,367 (2001: £70,391). The Directors do not recommend the payment of a dividend (2001: nil).

Directors and their interests

The names of the directors who held office at the end of the year, together with their interests in the shares of the Parent Company were:

	Number of £1 ordinary shares			
	2002		2001	
	Ordinary	'A' ordinary	ordinary	'A' ordinary
P B McKay	4,672	167	4,331	167
D E Blain	3,328	119	3,328	119

The 'A' ordinary shares are held by Hazlitt's Retirement Benefit scheme, of which P B McKay and D E Blain are beneficiaries.

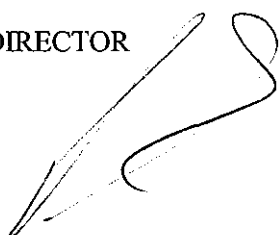
None of the directors held any shares in this Company as all shares are owned by Hazlitt's Limited.

Auditors

During the year our previous auditors, Smith & Williamson, incorporated their audit practice, which is now called Nexia Audit Limited. Nexia Audit Limited was duly appointed as auditors. A resolution to re-appoint the auditors, Nexia Audit Limited, will be proposed at the next Annual General Meeting.

Approved by the Board of Directors on
and signed on behalf of the Board.

DIRECTOR



P B McKay

ANTIQUE FURNITURE HIRE LIMITED

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 judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departure 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 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.

Nexia Audit

— · Limited · —

Independent auditors' report to the shareholders of Antique Furniture Hire Limited

We have audited the accounts of Antique Furniture Hire Limited for the year ended 30 April 2002 on pages 6 to 13. These accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 Directors' Report is not consistent with the accounts, 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 the information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report 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 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.

We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in whose hands it may come save where expressly agreed by our prior consent in writing.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 April 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Nexia Audit Limited

NEXIA AUDIT LIMITED
Chartered Accountants
Registered Auditors

27/1/03

No 1 Riding House Street
London
W1A 3AS

ANTIQUÉ FURNITURE HIRE LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 30 APRIL 2002

	Notes	2002 £	2001 £
Turnover	1	230,117	230,096
Staff costs	2	(28,032)	(28,471)
Depreciation	5	(62,744)	(58,789)
Other operating charges		(26,500)	(32,567)
Gross profit		112,841	110,269
Interest receivable and similar income		22,030	16,944
Profit on ordinary activities before taxation	3	134,871	127,213
Tax on profit on ordinary activities	4	(36,504)	(56,822)
Retained profit for the financial year	10	98,367	70,391

All of the company's operations are classed as continuing. There were no gains or losses in either year other than those included in the above profit and loss account.

	2002 £	2001 £
Note of historical cost profits and losses		
Reported profit on ordinary activities before taxation	134,871	127,213
Depreciation charge on valuation less the depreciation on the historical cost	13,685	13,685
Historical cost profit on ordinary activities before taxation	148,556	140,898
Historical cost profit after taxation	112,052	84,076

ANTIQUE FURNITURE HIRE LIMITED**BALANCE SHEET as at 30 APRIL 2002**

	Notes	2002 £	2001 £
Fixed assets			
Tangible assets	5	392,989	405,708
		<hr/>	<hr/>
Current assets			
Debtors	6	423,709	311,313
Cash at bank and in hand		9,966	7,188
		<hr/>	<hr/>
		433,675	318,501
Creditors: amounts falling due within one year	7	(78,227)	(71,710)
		<hr/>	<hr/>
Net current assets		355,448	246,791
		<hr/>	<hr/>
Total assets less current liabilities		748,437	652,499
Provision for other liabilities and charges	8	(68,621)	(71,050)
		<hr/>	<hr/>
Net assets		679,816	581,449
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	9	1,000	1,000
Revaluation reserve	10	54,740	68,425
Profit and loss account	10	624,076	512,024
		<hr/>	<hr/>
Shareholders' funds	11	679,816	581,449
		<hr/>	<hr/>

The accounts were approved by the Board of Directors on 24 January 2003 and were signed on its behalf by:



P. B. McKay
Director

ANTIQUE FURNITURE HIRE LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2002

1 Accounting policies

The accounts have been prepared in accordance with applicable accounting standards. A summary of the more important accounting policies adopted are described below.

Basis of accounting

The accounts have been prepared under the historical cost convention, modified by the revaluation of certain fixed assets.

Fixed assets

Depreciation is provided on the book value after recording any revaluations, in equal annual instalments over the estimated useful lives of the assets concerned. The following annual rates are used.

Furniture	- 10% (on revalued amount)
Motor vehicles	- 25% (on cost)

Deferred taxation

Deferred tax is provided for on a full provision basis on all timing differences which have arisen but not reversed at the balance sheet date. A deferred tax asset is not recognised to the extent that the transfer of economic benefit in future is uncertain. Any assets and liabilities recognised have not been discounted.

Leases

There are no formal lease agreements for the hire and lease of furniture. Rentals are credited to the profit and loss account as they fall due.

Pension costs

The company is party to a small defined contribution pension scheme for the directors. Costs are charged to the profit and loss account as contributions are made.

Turnover

Turnover, which excludes value added tax, represents the invoiced value of goods and services supplied. All turnover is derived from ordinary activities, being the hire and lease of furniture.

ANTIQUE FURNITURE HIRE LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2002 (continued)

2 Employee information

The average number of persons, including directors, employed by the company during the year was:

	2002 No.	2001 No.
Administration	2	2
Staff costs for the above persons were:	£	£
Wages and salaries	25,481	25,167
Social security costs	2,551	2,304
Pensions costs	-	1,000
	28,032	28,471

3 Operating profit

	2002 £	2001 £
is stated after charging:		
Directors' emoluments	2,000	3,000
Depreciation	62,744	58,789
Auditors' remuneration – Audit services	1,800	2,000
Other services	2,110	1,275

The pension contributions were made to a money purchase scheme, which is accruing benefits for one director.

	2002 £	2001 £
4 Tax on profit on ordinary activities		
UK corporation tax at 30% (2001: 30%)	38,933	31,997
Deferred tax	(2,429)	24,825
	36,504	56,822

Tax reconciliation

Profit on ordinary activities before tax	134,871	127,213
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ANTIQUE FURNITURE HIRE LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2002 (continued)

4	Tax on profit on ordinary activities (continued)	2002	2001
		£	£
	Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30%	40,461	38,164
	Depreciation for the period in excess of capital allowances	2,430	-
	Capital allowances for the period in excess of depreciation	-	(1,706)
	Marginal relief	(3,958)	(4,461)
		<hr/>	<hr/>
	Current tax charge for the year	38,933	31,997
		<hr/>	<hr/>
5	Tangible fixed assets	Motor van	Furniture
		£	£
	Cost or valuation		Total
			£
	At 1 May 2001	7,060	605,079
	Additions – at cost	-	52,472
	Disposals	-	(4,635)
		<hr/>	<hr/>
	At 30 April 2002	7,060	652,916
		<hr/>	<hr/>
	Depreciation		
	At 1 May 2001	7,060	199,371
	Depreciation on disposals	-	(2,188)
	Charge for the year	-	62,744
		<hr/>	<hr/>
	At 30 April 2002	7,060	259,927
		<hr/>	<hr/>
	Net book value		
	At 30 April 2002	-	392,989
		<hr/>	<hr/>
	At 30 April 2001	-	405,708
		<hr/>	<hr/>

All furniture is held for leasing and rental to other group companies. Furniture with a net book value of £78,683 was revalued by the directors at £215,593 during the year ending 30 April 1997 on a market value basis. At the current year end, the historic cost of all the furniture is £516,066 and total historic cost depreciation is £191,502.

The Directors have considered the valuations and consider that these valuations remain prudent. Therefore, no further valuations have been carried out. This is in accordance with the transitional provisions of FRS 15.

ANTIQUE FURNITURE HIRE LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2002 (continued)

6	Debtors	2002	2001
		£	£
	Group undertakings	418,893	309,565
	Prepayments and accrued income	1,003	639
	Other debtors	3,813	1,109
		<hr/>	<hr/>
		423,709	311,313
		<hr/>	<hr/>
7	Creditors: amounts falling due within one year	2002	2001
		£	£
	Trade creditors	949	499
	Corporation tax	38,933	31,997
	Other creditors, including taxes and social security	38,345	39,214
		<hr/>	<hr/>
		78,227	71,710
		<hr/>	<hr/>
8	Provisions for liabilities and charges	2002	2001
		£	£
	Deferred Tax		
	Accelerated capital allowances	68,621	71,050
		<hr/>	<hr/>
	Undiscounted provision for deferred tax	68,621	71,050
		<hr/>	<hr/>
	Provision at 1 May 2001	71,050	46,225
	Deferred tax (credit)/charge in the profit and loss account	(2,429)	24,825
		<hr/>	<hr/>
	Deferred tax provision at 30 April 2002	68,621	71,050
		<hr/>	<hr/>

Potential deferred tax of approximately £41,000 (2001: £41,000) on the revaluation of the furniture has not been provided for on the basis that there will be no realisation of these surpluses in the foreseeable future.

ANTIQUE FURNITURE HIRE LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2002 (continued)

9	Called up share capital	2002 £	2001 £
	Authorised		
	1,000 ordinary shares of £1 each	1,000	1,000
		<hr/>	<hr/>
	Allotted, called up and fully paid		
	1,000 ordinary shares of £1 each	1,000	1,000
		<hr/>	<hr/>
10	Reserves	Revaluation reserve £	Profit and loss account £
	At 1 May 2001	68,425	512,024
	Transfer from Revaluation Reserve	(13,685)	13,685
	Retained profit for the year	-	98,367
		<hr/>	<hr/>
	At 30 April 2002	54,740	624,076
		<hr/>	<hr/>
11	Reconciliation of movements in shareholders' funds	2002 £	2001 £
	Profit for the financial year	98,367	70,391
	Opening shareholders' funds	581,449	511,058
		<hr/>	<hr/>
	Closing shareholders' funds	679,816	581,449
		<hr/>	<hr/>

ANTIQUE FURNITURE HIRE LIMITED

NOTES TO THE ACCOUNTS for the year ended 30 APRIL 2002 (continued)

12 Ultimate parent undertaking and contingent liability

At 30 April 2002, the ultimate parent undertaking was Hazlitt's Limited, a company incorporated and registered in England. The assets of the company are subject to a charge to secure the bank loans of the holding company.

13 Related party disclosures

Transactions with Hazlitt's Limited and its subsidiaries are exempt from the detailed disclosures required by FRS 8: Related Party Disclosures because Hazlitt's Limited makes available consolidated accounts. The consolidated accounts can be obtained from the company secretary at the registered office address shown on page 2.