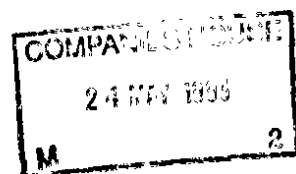


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HAMLEYS OF LONDON LIMITED

ANNUAL REPORT

YEAR ENDED 31 JANUARY 1993



PANNELL KERR FORSTER
Chartered Accountants

HAMLEYS OF LONDON LIMITED
(Registered Number 2352435)
ANNUAL REPORT
YEAR ENDED 31 JANUARY 1993

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**HAMLEYS OF LONDON LIMITED
OFFICERS AND PROFESSIONAL ADVISERS**

DIRECTORS

R N Hambro (Chairman)
H P Dyer
S J Woodbridge
A M Riddy
A D Mackenzie
K A Marks

SECRETARY

A M Riddy

REGISTERED OFFICE

188-196 Regent Street
London W1R 6BT

AUDITORS

Pannell Kerr Forster
Chartered Accountants
New Garden House
78 Hatton Garden
London EC1N 8JA

BANKERS

National Westminster Bank Plc
Bank of Scotland

**HAMLEYS OF LONDON LIMITED
DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 January 1993.

1 PRINCIPAL ACTIVITY

The principal activity of the group continued to be that of the retailing of toys and gifts.

2 ACTIVITIES AND REVIEW OF DEVELOPMENTS

1992 was a year of great improvement for the company with a 10% sales growth over 1991 being translated into a growth in operating profit of 145% from £980,000 to £2,401,000. This has been achieved despite 1992 being the third successive year in which the UK retailing environment was materially affected by major national and international issues.

Domestically, consumer activity in the UK remained depressed due to the recession. In addition, the increased level of terrorism in the West End at peak times of the year caused disruption to public transport and affected consumer confidence.

The level of overseas tourism to London was again depleted due to the world economic situation, with many countries from which the company normally attracts its customer base also suffering from the effects of deep recession. The strength of the pound during the peak tourist period and the continuing terrorist threat also contributed to the fall in the number of overseas visitors to London.

To compensate for these adverse economic factors the company has increased margins and reduced costs. A new store was opened in the year at Gatwick and a major new contract was secured with British Airways for the supply of in-flight children's activity packs called 'Skyflyers' on long-haul flights. In addition a new Family Entertainment Centre was opened in the basement of the Regent Street store providing a range of sophisticated electronic and other games for all the family on a pay-as-you-play basis.

These initiatives have enabled the company to make considerable progress following the successful refinancing last year. The company has also benefited from significantly reduced financing costs following the restructure and rescheduling of its long-term loans, full details of which are included in Note 15 of the accounts. A significant proportion of the interest charge for the year is rolled up until 1996 and beyond rather than paid currently, resulting in interest paid in the year falling from £1,734,000 to £600,000. This, together with the profit improvement and continued tight control over working capital, has led to an improvement in net cash flow of £1,853,000 over last year.

3 DIVIDENDS AND TRANSFERS TO RESERVES

The results for the year are set out on page 5. The directors do not recommend the payment of a dividend.

4 FUTURE PROSPECTS

It is the intention of the directors to continue the development of Hamleys as a major retailer of toys and gifts. A major refurbishment programme is now underway which will develop and enhance the unique environment of the Regent Street store to preserve its status as 'The Finest Toyshop in the World'.

Following the successful opening of stores at Heathrow and Gatwick, the directors intend to develop the Hamleys' concept into new areas.

The directors believe that the company is now well placed to capitalise on the anticipated upturn in UK consumer spending and the expectation that overseas tourism will now return to pre-Gulf War levels.

**HAMLEYS OF LONDON LIMITED
DIRECTORS' REPORT**

5 FIXED ASSETS

Details of fixed assets are given in note 10.

6 DIRECTORS

The present membership of the Board is set out on page 1. During the period 1 February 1992 to date R Mackie resigned as an alternate director to R N Hambro on 28 October 1992.

The director's interests as defined by the Companies Act 1985 in the shares of the Company at 31 January 1993 and 1 February 1992 were as follows:

	1p shares			
	Ordinary		Deferred ordinary	
	31 January 1993	1 February 1992	31 January 1993	1 February 1992
H P Dyer	485,996	485,996	-	-
R N Hambro	38,378	38,378	2,498,900	2,498,900
A D Mackenzie	59,476	10,292	29,205	29,205
K A Marks	-	-	-	-
A M Riddy	59,302	-	-	-
S J Wondbridge	59,302	59,302	-	-

The group maintains insurance for directors and officers against liabilities relating to the group as authorised by the Companies Act 1989.

7 DONATIONS

During the year the group made donations of toys, gifts and cash totalling £7,000 to various charities mainly associated with children.

8 AUDITORS

A resolution to re-appoint Pannell Kerr Forster as auditors will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD


A M Riddy
Secretary

13 May 1993

**AUDITORS' REPORT TO THE MEMBERS OF
HAMLEYS OF LONDON LIMITED**

We have audited the financial statements on pages 5 to 20 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 January 1993 and of the group profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Pannell Kerr Forster.

London
13 May 1993

PANNELL KERR FORSTER
Chartered Accountants
Registered Auditor

HAMLEYS OF LONDON LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 JANUARY 1993

	<u>Notes</u>	<u>1993</u> <u>£000</u>	<u>1992</u> <u>£000</u>
Turnover	2	17,371	15,873
Cost of sales		(8,752)	(8,315)
Gross profit		8,619	7,508
Distribution costs		5,405	5,236
Administrative expenses		1,372	1,379
Other operating income		(559)	(514)
Exceptional item	3	-	427
		6,218	6,528
Operating profit		2,401	980
Interest payable and similar charges	5	(1,181)	(1,826)
Profit/(loss) on ordinary activities before taxation	2,6	1,220	(846)
Tax on profit/(loss) on ordinary activities	7	(530)	-
Profit/(loss) on ordinary activities after taxation for the year		690	(846)

The movements on reserves are given in note 19 to the financial statements.

HAMLEYS OF LONDON LIMITED
CONSOLIDATED BALANCE SHEET
31 JANUARY 1993

	<u>Notes</u>	<u>£000</u>	<u>1993</u>	<u>£000</u>	<u>1992</u>	<u>£000</u>
FIXED ASSETS						
Tangible assets	10			2,177		1,801
CURRENT ASSETS						
Stocks	12	1,712			1,811	
Debtors	13	733			450	
Cash at bank and in hand		399			38	
		<u>2,844</u>			<u>2,299</u>	
CREDITORS						
Amounts falling due within one year						
Bank loans and overdrafts		536			1,366	
Obligations under finance leases and hire purchase contracts		81			73	
Trade creditors		1,237			673	
Other creditors including taxation and social security	14	1,436			1,328	
		<u>3,290</u>			<u>3,440</u>	
NET CURRENT LIABILITIES				(446)		(1,141)
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>1,731</u>		<u>660</u>
CREDITORS						
Amounts falling due after more than one year	15			(13,318)		(13,159)
PROVISIONS FOR LIABILITIES AND CHARGES						
Deferred tax	16			(139)		-
Other provisions	17			(830)		(750)
				<u>(12,556)</u>		<u>(13,249)</u>
CAPITAL AND RESERVES						
Called up share capital	18			432		432
Share premium account	19			6,128		6,125
Profit and loss account	19			(59)		(749)
				<u>6,501</u>		<u>5,808</u>
Goodwill reserve				(19,037)		(19,057)
				<u>(12,556)</u>		<u>(13,249)</u>

Approved by the board on 13 May 1993

H P Dyer  Director

A M Riddy  Director

HAMLEYS OF LONDON LIMITED
BALANCE SHEET
31 JANUARY 1993

	<u>Notes</u>	<u>1993</u> £'000	<u>1992</u> £'000
FIXED ASSETS			
Investments	11	18,699	18,699
CURRENT ASSETS			
Debtors	13	1,682	2,156
Cash at bank and in hand		349	-
		<u>2,031</u>	<u>2,156</u>
CREDITORS			
Amounts falling due within one year			
Bank loans and overdrafts		500	917
Other creditors including taxation and social security	14	217	169
		<u>717</u>	<u>1,086</u>
NET CURRENT ASSETS		<u>1,314</u>	<u>1,070</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>20,013</u>	<u>19,769</u>
CREDITORS			
Amounts falling due after more than one year	15	(13,252)	(13,009)
PROVISIONS FOR LIABILITIES AND CHARGES	16	(750)	(750)
		<u>6,011</u>	<u>6,010</u>
CAPITAL AND RESERVES			
Called up share capital	18	432	432
Share premium account	19	6,128	6,125
Profit and loss account	19	(549)	(547)
		<u>6,011</u>	<u>6,010</u>

Approved by the board on 13 May 1993

H P Dyer



Director

A M Riddy



Director

HAMLEYS OF LONDON LIMITED
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 JANUARY 1993

	<u>Notes</u>	<u>1993</u>	<u>1992</u>
	£000	£000	£000
NET CASH FLOW FROM OPERATING ACTIVITIES			
Net profit before taxation and interest		2,401	980
Depreciation on tangible assets		338	229
Decrease in stocks		99	1,875
(Increase)/decrease in trade debtors		(160)	78
(Increase)/decrease in sundry debtors and prepayments		(123)	11
Increase/(decrease) in trade creditors		564	(1,207)
(Decrease)/increase in accruals		(371)	19
Increase in provisions for liabilities and charges		80	-
		<hr/>	<hr/>
NET CASH INFLOW FROM OPERATING ACTIVITIES		2,828	1,985
SERVICING OF FINANCE			
Interest paid	(586)		(1,707)
Interest element of finance lease rentals	(14)		(27)
	<hr/>		<hr/>
NET CASH OUTFLOW FROM SERVICING OF FINANCE		(600)	(1,734)
INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(714)	(122)
		<hr/>	<hr/>
NET CASH INFLOW BEFORE FINANCING		1,514	129
FINANCING			
Issue of ordinary shares	-		38
Issue of deep discount unsecured stock 1998	-		3,017
Repayment of superior bank loan	-		(3,050)
Movement on share premium account	22 3		(483)
Principal payment under finance leases	22 (76)		(63)
	<hr/>		<hr/>
NET CASH OUTFLOW FROM FINANCING		(73)	(541)
		<hr/>	<hr/>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	20,21	1,441	(412)
		<hr/>	<hr/>

HAMLEYS OF LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 1993

1 ACCOUNTING POLICIES

(a) Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

(b) Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary for the year ended 31 January 1993.

(c) Goodwill

Goodwill arising on the acquisition of subsidiaries and related companies is transferred to reserves in the year of acquisition.

(d) Tangible fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated lives of the assets. The rates of depreciation are as follows:

Long leasehold property	2% per annum
Leased assets	Over the term of the lease
Computer equipment	20% per annum
Fixtures and fittings	15%-50% per annum

During the year the useful economic lives of certain assets included within computer equipment and fixtures and fittings have been revised resulting in an additional depreciation charge of £95,000 for the year.

(e) Investments

Investments held as fixed assets are stated at cost less provision for permanent diminution in value.

(f) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost represents purchase price and freight costs.

(g) Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

(h) Foreign exchange

Assets and liabilities stated in foreign currencies are translated into sterling at the rates ruling at the year end. Foreign exchange profits and losses realised on trading transactions are included in the trading results.

(i) Pension costs

The pension cost represents contributions payable by the group in the year. Contributions to the defined benefit scheme were made in accordance with actuarial advice.

HAMLEYS OF LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 1993

1 ACCOUNTING POLICIES (continued)

(i) Leases

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to the profit and loss account in equal annual amounts over the periods of the leases.

2 TURNOVER AND PROFIT

Turnover represents invoiced sales excluding VAT. The turnover and profit before taxation is attributable to the principal activities of the company. The company has no significant sales or operating activities outside the United Kingdom.

3 EXCEPTIONAL ITEM

The exceptional item arose as a result of the costs incurred in the refinancing exercise

<u>1993</u>	<u>1992</u>
£000	£000

-	427
<u> </u>	<u> </u>

4 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Directors' emoluments:
 Services as directors
 Ex-gratia payment to former directors

<u>1993</u>	<u>1992</u>
£000	£000

446	228
-	170
<u> </u>	<u> </u>

446	398
<u> </u>	<u> </u>

Remuneration of the chairman

20	13
<u> </u>	<u> </u>

Remuneration of the highest paid director

231	48
<u> </u>	<u> </u>

HAMLEYS OF LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 1993

4 INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

	<u>1993</u> <u>Number</u>	<u>1992</u> <u>Number</u>
Scale of other directors' remuneration:		
£ 0 - £ 5,000	1	4
£ 5,001 - £10,000	2	4
£10,001 - £15,000	-	1
£20,001 - £25,000	-	1
£25,001 - £30,000	-	1
£40,001 - £45,000	-	1
£65,001 - £70,000	1	-
£100,001 - £105,000	1	-

DIRECTOR'S CONTRACT

H P Dyer is a director and shareholder of Greymart Limited, a company with which the company has a contract for services. During the year, payments of £222,000, including pensions and social security costs have been made to this company. This amount has been included within directors' emoluments.

	<u>£'000</u>	<u>£'000</u>
Employee costs during the year:		
Wages and salaries	2,487	2,635
Social security costs	210	209
Other pension costs	49	61

<u>2,746</u>	<u>2,905</u>
--------------	--------------

The average number employed by the company during the year:
Sales and distribution
Administration

<u>Number</u>	<u>Number</u>
145	152
30	34

<u>175</u>	<u>186</u>
------------	------------

5 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>£'000</u>	<u>£'000</u>
Interest on bank overdrafts and other loans wholly repayable within 5 years	400	172
Interest on bank and other loans	767	1,627
Finance charges - finance leases and hire purchase obligations	14	27
	<u>1,181</u>	<u>1,826</u>

HAMLEYS OF LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 1993

6	PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>
	Profit/(loss) on ordinary activities before taxation is after charging:		
	Rentals under operating leases:		
	Hire of plant and machinery	57	69
	Other operating leases	1,302	1,308
	Depreciation:		
	Own assets	222	166
	Assets held under finance leases and hire purchase contracts	116	63
	Auditors' remuneration	32	34
		<hr/>	<hr/>
7	TAX ON PROFIT ON ORDINARY ACTIVITIES	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>
	Corporation tax payable at 33%	391	-
	Deferred tax	139	-
		<hr/>	<hr/>
		530	-
		<hr/>	<hr/>

The tax charge to the group is disproportionately high due to tax being accelerated by the effect of timing differences on interest payable. It is not considered appropriate to establish a deferred tax asset in respect of these timing differences.

8 PARENT COMPANY PROFIT AND LOSS ACCOUNT

As permitted by Section 230 of the Companies Act 1985, the profit and loss of the parent company is not presented as part of these accounts. The parent company's loss for the year to 31 January 1993 amounted to £2,000 (1992 loss £1,049,000).

9 DIVIDENDS

No dividends were paid in the year (1992 : £Nil).

HAMLEYS OF LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 1993

10 TANGIBLE FIXED ASSETS

The Group	Total £000	Long leasehold property £000	Fixtures and fittings £000	Computer equipment £000
Cost				
At 1 February 1992	2,268	1,190	621	457
Reclassification	-	-	(181)	181
Additions	714	-	628	86
Write-offs	(173)	-	(87)	(86)
At 31 January 1993	2,809	1,190	981	638
Accumulated depreciation				
At 1 February 1992	467	73	204	190
Reclassification	-	-	(63)	63
Provisions	338	26	130	182
Write-offs	(173)	-	(87)	(86)
At 31 January 1993	632	99	184	349
Net book value				
At 31 January 1993	2,177	1,091	797	289
At 31 January 1992	1,801	1,117	417	267

The net book value of the group's computer equipment includes £109,000 (1992 - £195,000) in respect of assets held under finance leases and hire purchase.

The company had no tangible fixed assets during the year.

11 INVESTMENTS HELD AS FIXED ASSETS

31 January 1993
and
31 January 1992
£000

The Company	
Shares in subsidiary undertaking	18,699

The company owns the entire share capital of Hamleys Limited, a company registered in England and which trades as a toy retailer. The balance sheet of Hamleys Limited shows a surplus of shareholders funds of £131,000 and its profit for the year was £692,000.

12 STOCKS

	The Group		The Company	
	1993 £000	1992 £000	1993 £000	1992 £000
Finished goods and goods for resale	1,712	1,811	-	-

The replacement cost of stocks at 31 January 1993 and 31 January 1992 was not significantly different from the amount at which they are stated in the financial statements.

HAMLEYS OF LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 1993

13 DEBTORS

	<u>The Group</u>		<u>The Company</u>	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
	£'000	£'000	£'000	£'000
Trade debtors	237	47	-	-
Amounts owed by subsidiary undertaking	-	-	1,665	2,114
Other debtors	17	42	17	42
Prepayments and accrued income	479	361	-	-
	<u>733</u>	<u>450</u>	<u>1,682</u>	<u>2,156</u>

14 OTHER CREDITORS INCLUDING TAXATION AND SOCIAL SECURITY

	<u>The Group</u>		<u>The Company</u>	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
	£'000	£'000	£'000	£'000
This heading includes:				
Corporation taxation	390	-	-	-
Taxation and social security	504	531	-	-
	<u>894</u>	<u>531</u>	<u>-</u>	<u>-</u>

15 CREDITORS

Amounts falling due after more than one year:

	<u>The Group</u>		<u>The Company</u>	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
	£'000	£'000	£'000	£'000
Unsecured loan notes 1998	2,177	2,073	2,177	2,073
Deep discount unsecured loan stock 1998	3,207	3,026	3,207	3,026
Superior secured bank loan	4,200	4,450	4,200	4,450
Inferior secured bank loan	3,668	3,460	3,668	3,460
Obligations under finance leases and hire purchase contracts	66	150	-	-
	<u>13,318</u>	<u>13,159</u>	<u>13,252</u>	<u>13,009</u>

HAMLEYS OF LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 1993

15 CREDITORS

Amounts falling due after more than one year: (continued)

	<u>The Group</u>		<u>The Company</u>	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Analysis of loans payable partly or wholly after five years:				
Bank loans:				
Within one year	500	250	500	250
Between one and two years	750	250	750	250
Between two to five years	4,250	3,500	4,250	3,500
After five years	2,868	4,160	2,868	4,160
Other loans:				
Between two to five years	5,384	-	5,384	-
After five years	-	5,099	-	5,099
	<u>13,752</u>	<u>13,259</u>	<u>13,752</u>	<u>13,259</u>
Other loans repayable between two to five years:				
Unsecured loan notes 1998	2,177	-	2,177	-
Deep discount unsecured loan stock 1998	3,207	-	3,207	-
	<u>5,384</u>	<u>-</u>	<u>5,384</u>	<u>-</u>
Other loans repayable after five years:				
Unsecured loan notes 1998	-	2,073	-	2,073
Deep discount unsecured loan stock 1998	-	3,026	-	3,026
	<u>-</u>	<u>5,099</u>	<u>-</u>	<u>5,099</u>
Bank loans repayable by instalments some of which fall due after five years:				
Bank loans:				
Total amount	8,368	8,160	8,368	8,160
Instalments due after five years	2,868	4,160	2,868	4,160

The bank loans are secured by a legal mortgage over the long leasehold property of Hamleys Limited and a mortgage debenture over all the other assets of that company. The superior bank loan bears interest at a normal commercial rate linked to LIBOR, subject to a maximum LIBOR of 11.5% until 31 January 1996. The inferior bank loan bears 6% interest rolled up until 31 January 1996 on which date the loan plus the accrued interest is added to the superior loan.

The unsecured loan notes 1998 bear 5% interest rolled up until the date of redemption, 9 January 1998.

The issued deep discount unsecured loan stock 1998 with a nominal value of £4,280,000, if not previously repaid or purchased by the company, will be redeemed at its nominal value on 9 January 1998. The income element of the stock (as a percentage of the nominal amount of the stock) was 2% in the first 12 months rising to 5.7% in the final year. This income element is accrued and charged to the profit and loss account each year. In addition the nominal value bears interest of 0.00001% rolled up.

The loan stock is subordinated to all other creditors of the company including trade creditors.

HAMLEYS OF LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 1993

16 DEFERRED TAXATION

The amounts of deferred taxation provided in the financial statements are:

	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>
The group		
Capital allowances in excess of depreciation	236	-
Other short term timing differences	(97)	-
	<hr/> 139	<hr/> -
	<hr/>	<hr/>

Deferred taxation of £139,000 has been charged to the profit and loss account in the year.

The group had no unprovided deferred tax liability at either of the above dates.

The company had no deferred tax, provided or unprovided, at 31 January 1993 or 31 January 1992.

17 PROVISIONS FOR LIABILITIES AND CHARGES

	<u>The Group</u>		<u>The Company</u>	
	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>	<u>1993</u> <u>£'000</u>	<u>1992</u> <u>£'000</u>
Provisions	830	750	750	750
	<hr/>	<hr/>	<hr/>	<hr/>

A provision of £500,000 was set up to cover dilapidations of the long leasehold property and other potential liabilities existing at the date Hamleys Limited was acquired by the company. Following a systems review by external consultants, a further £250,000 was reserved to meet the cost of improving the computer systems of Hamleys Limited in accordance with the directors' plans at the date of acquisition.

The movement of £80,000 in the year represents a reserve to meet the cost of dilapidations and reorganisation of the warehouse.

HAMLEYS OF LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 1993

18 CALLED UP SHARE CAPITAL

Details of share capital as at 31 January 1993 and 31 January 1992 were as follows:

	<u>Authorised</u> <u>At 31 January 1993</u>		<u>Authorised</u> <u>At 31 January 1992</u>	
	No.	£'000	No.	£'000
1p ordinary shares	3,626,245	36	3,626,245	36
1p 'B' ordinary shares	327,255	3	327,255	3
1p deferred ordinary shares	41,798,000	418	41,798,000	418
		<hr/>		<hr/>
		457		457
		<hr/>		<hr/>
	<u>Allotted and</u> <u>fully paid</u> <u>At 31 January 1993</u>		<u>Allotted and</u> <u>fully paid</u> <u>At 31 January 1992</u>	
	No.	£'000	No.	£'000
1p ordinary shares	3,626,245	36	3,566,943	36
1p 'B' ordinary shares	327,255	3	327,255	3
1p deferred ordinary shares	39,299,100	393	39,299,100	393
		<hr/>		<hr/>
		432		432
		<hr/>		<hr/>

During the year 59,302 ordinary shares of 1p each were allotted for cash consideration at a premium of 5.3p a share.

19 RESERVES

	<u>Share premium</u> <u>account</u> £'000	<u>Profit and</u> <u>loss account</u> £'000
The group		
Balance at 1 February 1992	6,125	(749)
Profit for the year	-	690
Additional premium from share allotment	3	-
	<hr/>	<hr/>
Balance at 31 January 1993	6,128	(59)
	<hr/>	<hr/>
The company		
Balance at 1 February 1992	6,125	(547)
Loss for the year	-	(2)
Additional premium from share allotment	3	-
	<hr/>	<hr/>
Balance at 31 January 1993	6,128	(549)
	<hr/>	<hr/>

HAMLEYS OF LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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20 ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	£000
Balance 1 February 1992	(1,078)
Net cash inflow	1,441
	<hr/>
Balance at 31 January 1993	363
	<hr/>

21 ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	<u>1993</u> £000	<u>1992</u> £000	Change in year £000
Cash at bank and in hand	399	38	361
Bank overdrafts	(36)	(1,116)	1,080
	<hr/>	<hr/>	<hr/>
	363	(1,078)	1,441
	<hr/>	<hr/>	<hr/>

22 ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	Share capital (including premium) £000	Loans and finance lease obligations £000
Balance at 1 February 1992	6,557	13,482
Shares issued for cash	3	-
Capital repayments under finance leases	-	(76)
Interest rolled up in the year	-	493
	<hr/>	<hr/>
Balance at 31 January 1993	6,560	13,899
	<hr/>	<hr/>

23 MAJOR NON-CASH TRANSACTIONS

As detailed in note 15, the inferior bank loan, the unsecured loan notes 1998 and the deep discount unsecured loan stock 1998 attract interest which has been rolled up in the year. An amount of £493,000 has been rolled up in the year.

HAMLEYS OF LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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24 CONTINGENT LIABILITIES

The long leasehold property is subject to a legal mortgage and the other assets subject to a mortgage debenture, as security for the bank overdraft of the company and bank loan of Hamleys of London Limited.

A guarantee has been given in favour of H M Customs & Excise for potential liabilities to the value of £20,000.

A guarantee has been given to Hamleys Limited, the subsidiary company, in respect of commercial liabilities.

25 CAPITAL COMMITMENTS

	<u>The Group</u>		<u>The Company</u>	
	<u>1993</u>	<u>1992</u>	<u>1993</u>	<u>1992</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Contracted for but not provided in the financial statements	292	-	-	-
Authorised but not yet contracted for	577	-	-	-

26 FINANCE LEASE COMMITMENTS

	<u>1993</u>	<u>1992</u>
	<u>£'000</u>	<u>£'000</u>
The group		
Minimum lease payments payable:		
Within one year	92	92
Within two to five years	69	160
Finance charges allocated to future periods	161 (14)	252 (29)
	147	223

The company had no finance lease commitments at 31 January 1993 or 31 January 1992.

27 OPERATING LEASE COMMITMENTS

At 31 January 1993 the group was committed to making the following annual payments in respect of operating leases:

	<u>Land and buildings</u>	<u>Other</u>	<u>Land and buildings</u>	<u>Other</u>
	<u>1993</u>	<u>1993</u>	<u>1992</u>	<u>1992</u>
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Leases which expire:				
Within one year	-	4	-	15
Within two to five years	106	37	106	21
After five years	1,150	-	1,150	-
	1,256	41	1,256	36

The company had no operating lease commitments at 31 January 1993.

HAMLEYS OF LONDON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JANUARY 1993

28 PENSION SCHEMES

Until 31 March 1992 the group operated pension schemes of the defined benefit type. From that date employee and employer contributions to this scheme ceased and a group administered personal pension plan scheme has been established in its stead. The new scheme is not a company scheme; however, the company does contribute to the individual employee pension plans. Total company contributions in the year amounted to £49,000 (1992 - £61,000). There were no contributions payable at the year end.

Existing benefits of the members of the old defined benefit scheme are in the process of being transferred to the relevant individuals' personal pension plans. Once this has been achieved this pension scheme will be wound up. Having taken advice from the old scheme's actuarial consultants, the directors believe this scheme to be solvent.