641321

THE VALE HIRE PURCHASE COMPANY LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 14TH MAY 2000



Company No. 631321

THE VALE HIRE PURCHASE COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 14TH MAY 2000

The directors present their report and the accounts for the company for the year ended 14th May 2000.

Principal activities

The company's principal activity during the year continued to be that of furniture retailing.

Directors and their interests

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

Name of director	Share type	At 14th May 2000	At 15th May 1999
Mr G. Farrar	Ordinary	735	735
Mrs P. Farrar	Ordinary	2262	2262
Mr D. Farrar	Ordinary	-	-

Small company exemptions

This report has been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985.

By order of the Board

Mrs P. Farrar
18th August 2000

THE VALE HIRE PURCHASE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 14TH MAY 2000

	Notes	2000	*1999*
		£	*£*
Turnover	2	**312,591**	*290,533*
Cost of sales		**(213,662)**	*(216,549)*
Gross profit		**98,929**	*73,984*
Distribution costs		**(14,275)**	*(11,573)*
Administrative expenses		**(67,229)**	*(62,854)*
		17,425	*(443)*
Other operating income		**9,211**	*7,145*
Operating profit	3	**26,636**	*6,702*
Interest receivable		**14**	*54*
Interest payable and similar charges		**(3,442)**	*(4,776)*
Profit on ordinary activities before taxation		**23,208**	*1,980*
Tax on profit on ordinary activities	5	**(4,705)**	*(486)*
Profit for the financial year	14	**18,503**	*1,494*
Retained profit brought forward		**86,698**	*85,204*
Retained profit carried forward		**105,201**	*86,698*

The notes on pages 5 to 9 form part of these accounts.

THE VALE HIRE PURCHASE COMPANY LIMITED

BALANCE SHEET

AS AT 14TH MAY 2000

	Notes	£	2000 £	£	*1999 £*
Fixed assets					
Tangible assets	6		**13,575**		*11,375*
			13,575		*11,375*
Current assets					
Stocks		**44,544**		*39,705*	
Debtors	7	**131,822**		*112,511*	
Cash at bank and in hand		**342**		*331*	
		176,708		*152,547*	
Creditors: amounts falling due within one year	8	**(79,346)**		*(73,835)*	
Net current assets			**97,362**		*78,712*
Total assets less current liabilities			**110,937**		*90,087*
Creditors: amounts falling due after more than one year	9		**(2,252)**		-
Provisions for liabilities and charges					
Deferred taxation	12		**(484)**		*(389)*
			108,201		*89,698*
Capital and reserves					
Share capital	13		**3,000**		*3,000*
Profit and loss account	14		**105,201**		*86,698*
Shareholders' funds			**108,201**		*89,698*

The notes on pages 5 to 9 form part of these accounts.

THE VALE HIRE PURCHASE COMPANY LIMITED

BALANCE SHEET

AS AT 14TH MAY 2000

The directors are of the opinion that the company is entitled to exemption from audit conferred by Subsection 1 of Section 249A of the Companies Act 1985 for the year ended 14th May 2000.

The directors confirm that no member or members have requested an audit pursuant to Subsection 2 of Section 249B of the Companies Act 1985.

The directors confirm that they are responsible for:

ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985,

and preparing accounts which give a true and fair view of the state of the affairs of the company as at the end of the financial year and of its results for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

These accounts were approved by the board on 18th August 2000 and signed on its behalf by:

Mrs P. Farrar P. Farrar
Director

THE VALE HIRE PURCHASE COMPANY LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 14TH MAY 2000

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

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

Depreciation

Depreciation is calculated to write off the cost of all tangible fixed assets over their expected useful lives at the following rates:

Motor vehicles	25% p.a. on a reducing balance basis
Fixtures and fittings	15% p.a. on a reducing balance basis

Hire purchase interest receivable

Hire purchase interest is credited to the profit and loss account when it is earned.

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 a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Hire purchase contracts

Assets held under hire purchase contracts are capitalised in the balance sheet at their fair value and depreciated over their expected useful lives. The interest element of the contract represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the agreement.

Operating leases

Payments under operating leases are charged to the profit and loss account in the period in which they are incurred. Receipts under operating leases are credited to the profit and loss account in the period in which they are receivable.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Operating profit

The operating profit is stated after charging or crediting:	**2000**	*1999*
	£	*£*
Depreciation of tangible fixed assets:		
-owned assets	**1,130**	*88*
-assets held under finance leases and hire purchase	**3,330**	*3,618*
Loss on disposal of fixed assets	**1,060**	*-*
Pension contributions	**528**	*506*
Rental income	**(1,590)**	*(1,560)*

4 Directors' remuneration

	2000	*1999*
	£	*£*
Aggregate emoluments	**38,609**	*38,160*

Retirement benefits were accruing to directors under schemes as follows:-	**Number**	*Number*
Defined contribution pension schemes	**1**	*1*

During the year the company provided a loan to D.Farrar, a director. The outstanding amounts were as follows: Beginning of year: £130; end of year: £130; maximum during the year: £130.

The loan is repayable on demand and no interest has been charged on these balances.

5 Taxation

	2000	*1999*
	£	*£*
Based on the profit for the year:		
UK corporation tax	**4,614**	*624*
Deferred tax charge	**95**	*(138)*
	4,709	*486*
Prior periods		
UK corporation tax	**(4)**	*-*
	4,705	*486*

6 Tangible fixed assets

	Motor vehicles	Fixtures and fittings	Total
Cost	£	£	£
At 15th May 1999	22,073	1,883	23,956
Additions	13,320	-	13,320
Disposals	(12,088)	-	(12,088)
At 14th May 2000	**23,305**	**1,883**	**25,188**
Depreciation			
At 15th May 1999	11,198	1,383	12,581
Charge for the year	4,385	75	4,460
Disposals	(5,428)	-	(5,428)
At 14th May 2000	**10,155**	**1,458**	**11,613**
Net book value			
At 14th May 2000	**13,150**	**425**	**13,575**
At 14th May 1999	*10,875*	*500*	*11,375*

Assets held under hire purchase contracts originally cost £13,320 (1999: £22,073) and have a net book value of £9,990 (1999: £10,875). Depreciation charged for the year was £3,330 (1999: £3,618).

7 Debtors

	2000	*1999*
	£	*£*
Trade debtors	**109,269**	*89,626*
Other debtors	**21,633**	*21,970*
Prepayments and accrued income	**790**	*785*
Directors' loans (Note 4)	**130**	*130*
	131,822	*112,511*

The directors estimate that trade debtors includes £33,500 (1999: £27,000) which is due in more than one year.

8	**Creditors: amounts falling due within one year**	**2000**	*1999*
		£	*£*
	Bank overdrafts	**44,158**	*41,965*
	Trade creditors	**21,053**	*17,642*
	Accruals and deferred income	**2,855**	*3,180*
	Corporation tax	**4,614**	*624*
	Other taxes and social security	**2,801**	*5,721*
	Obligations under hire purchase contracts (Note 10)	**3,860**	*4,698*
	Directors' loans	**5**	*5*
		79,346	*73,835*

The bank overdrafts are secured.

9	**Creditors: amounts falling due after more than one year**	**2000**	*1999*
		£	*£*
	Obligations under hire purchase contracts (Note 10)	**2,252**	*-*

10	**Obligations under hire purchase contracts**	**2000**	*1999*
		£	*£*
	Obligations under hire purchase contracts are analysed between amounts payable:		
	Within one year	**3,860**	*4,698*
	Between two and five years	**2,252**	*-*
		6,112	*4,698*

Hire purchase contracts are secured on the assets to which they relate.

11 Operating lease commitments

At 14th May 2000 the company had annual commitments under operating leases as set out below:

	2000	*1999*
Operating leases which expire:	**£**	*£*
Within one year	**4,152**	*4,152*

12 Deferred taxation

The movements in deferred taxation during the current and previous years are as follows:

	2000	*1999*
	£	*£*
At 15th May 1999	389	*527*
Movement in the year	95	*(138)*
At 14th May 2000	484	*389*

Deferred taxation is provided in full as follows:

	Amount provided	
	2000	*1999*
	£	*£*
Accelerated capital allowances	484	*389*

13 Share capital

	2000	*1999*
	£	*£*
Authorised		
10,000 Ordinary shares of £1.00 each	10,000	*10,000*
	10,000	*10,000*
Allotted		
3,000 Allotted, called up and fully paid ordinary shares of £1.00 each	3,000	*3,000*
	3,000	*3,000*

14 Reserves

	Profit and loss account
	£
At 15th May 1999	86,698
Profit for the year	18,503
At 14th May 2000	**105,201**

15 *Pension scheme*

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

The total contributions paid in the year amounted to £528 (1999: £506).