PEERS HARDY (UK) LIMITED

REPORT AND ABBREVIATED ACCOUNTS

31 DECEMBER 1991

Registered No: 1391526

PEERS HARDY (UK) LIMITED

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PEERS HARDY (UK) LIMITED

DIRECTORS' REPORT

Directors

N R Woolley
J E Story
R J Stuart
D A Rawlings

The directors present their annual report together with the audited accounts for the year ended 31 December 1991.

Activities

The principal activities of the company throughout the year were manufacturers importers and distributors of clocks and watches.

Results and dividends

The profit for the year, after taxation, amounted to £215805. It is recommended that this amount be dealt with as follows:

	£
Paid dividend (12.79p per share)	56246
Profit retained	159559
	215805

Review of the business and future prospects

1991 proved to be a very difficult year for the trade and against this depressed background the annual results for Peers Hardy are regarded as acceptable.

However, this year was most significant in the long term development of the Company with two major developments taking place.

The first was the relocation to the superb new building, Tompion House. Expansion has been restricted by available space for several years and it has proved difficult to find a suitable building in the locale. Tompion House, a highly prestigious premises provides the full facilities required to support long term plans.

The second was the acquisition of the Alfex business which gives Peers Hardy a presence in the important mid-price market and distribution of a Swiss brand. There was obvious synergy in this move but equally important was the appointment of Mr David Rawlings FCIM FBIM to the Board of Peers Hardy as Group Marketing Director. Mr Rawlings, formerly Managing director of Alfex Limited, has an indepth knowledge and experience of the timepiece industry and will considerably strengthen the Board.

These two important strategic moves will increase the overhead level but place the Company in a strong position to implement the planned expansion. Despite an extremely depressed market, some increase in sales is budgeted for the current year but 1993/94 should see good growth.

Directors and their interests

The directors shown above served on the Board throughout the year other than D A Rawlings who was appointed as a director on 1 October 1991.
R J Stuart retires from the Board by rotation at the Annual General Meeting and, being eligible, offers himself for re-election.
The directors at 31 December 1991 had the following interests in the share capital of the company:

		At 31 December 1991 Ordinary 10p shares	At 1 January 1991 Ordinary 10p shares
N R Woolley	- A shares	220000	220000
J E Story	- A shares	639916	639916
	- B shares	139972	139972

Auditors

The auditors, Clement Keys Rabjohns, now practise under the name of Clement Keys. Accordingly, they have signed the audit report in their new name. A resolution on the appointment of Clement Keys as auditors to the company will be submitted to the Annual General Meeting.

By order of the Board

N R Woolley

Secretary

26 July 1992

PEERS HARDY (UK) LIMITED

BALANCE SHEET

31 DECEMBER 1991

	Notes	1991 £	1991 £	1990 £	1990 £
Fixed assets					
Tangible assets	2		228245		155218
Investments	3		7500		7500
			235745		162718
Current assets					
Stock	4	1383930		993464	
Debtors	5	1103483		901527	
Cash at bank and in hand		481		318	
		2487894		1895309	
Creditors (amounts falling due within one year)	6	1680641		1176557	
Net current assets			807253		718752
Total assets less current liabilities			1042998		881470
Creditors (amounts falling due after more than one year)	7		44404		42435
			998594		839035
Capital and reserves					
Called up share capital	8		100000		100000
Profit and loss account	9		898594		739035
			998594		839035

In delivering these accounts the directors have relied upon exemptions conferred by Schedule 8 to the Companies Act 1985 on the grounds that the company is entitled to the benefit of those exemptions as a medium sized company.

N R Woolley Director

PEERS HARDY (UK) LIMITED

PROFIT AND LOSS ACCOUNT | YEAR ENDED 31 DECEMBER 1991

	Notes	1991 £	1991 £	1990 £	1990 £
Gross profit			1749251		1442597
Distribution costs		719231		467532	
Administrative expenses		572187		509470	
			1291418		977002
Profit before exceptional item	11		457833		465595
Exceptional item	19		54909		-
			402924		465595
Interest payable	13		105085		118701
Profit from ordinary activities before taxation			297839		346894
Taxation	14		82034		93230
Profit from ordinary activities after taxation			215805		253664
Extraordinary item	15		-		(10000)
Profit retained			215805		243664
Dividends	16		56246		37498
Profit retained	9		159559		206166

Movements on reserves are set out in Note 9.

1 Accounting policies

The accounts of the company are prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies adopted are set out below:

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates on a straight line basis to write off the cost less the estimated residual value of the assets over their expected useful economic lives:

Freehold buildings	Nil
Motor vehicles	25%
Equipment and fixtures	25%

Stock

Stocks are valued at the lower of first in first out cost, inclusive of appropriate overheads, and estimated net realisable value.

Deferred taxation

Provision is made for deferred taxation to take account of timing differences between the treatment of items for accounts purposes and for tax purposes to the extent that it is probable that a liability for tax will crystallise.

The provision is computed under the liability method and is stated at the rate of corporation tax expected to apply when the tax becomes payable.

Repairs and renewals

All expenditure on repairs and renewals is written off in the year in which it is incurred.

Leasing (and hire purchase contracts)

Where an asset is financed by an arrangement that gives rights approximating to ownership (finance lease) the asset is treated as if it had been purchased outright. The amount capitalised and included in tangible fixed assets is the present value of the minimum payments due under the arrangement. The corresponding commitment is included as an obligation under finance leases.

Depreciation of such assets is charged to profit and loss account in accordance with the company's normal depreciation policies.

Foreign currency

Monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date; other assets are translated at the rate of exchange as at the date of the transaction. Profits and losses on translation and conversion are included as part of the results from ordinary activities for the year unless they relate to extraordinary items when they are included as part of those items.

2 Tangible fixed assets

	Motor vehicles £	Tooling £	Fixtures and fittings £	Total £
Cost				
At 1 January 1991	217619	166430	132499	516548
Additions	184705	-	12140	196845
Disposals	(118846)	(166430)	-	(285276)
At 31 December 1991	283478	-	144639	428117
Depreciation				
At 1 January 1991	76438	166430	118462	361330
Charged in year	70656	-	12814	83470
On disposals	(78498)	(166430)	-	(244928)
At 31 December 1991	68596	-	131276	199872
Net book value				
At 31 December 1991	214882	-	13363	228245
At 31 December 1990	141181	-	14037	155218

The net book value of tangible fixed assets of £228245 (1990 £155218) includes £216251 (1990 £112638) in respect of assets held under finance leases (and hire purchase contracts).

3 Fixed asset investments

	1991 £	1990 £
Cost	7500	7500

The company owns 25% of the issued share capital holding of Unique Travel Limited, a private company registered in England and Wales. Mr Story is a director of Unique Travel Limited.

4 Stock

	1991 £	1990 £
Finished goods	1339258	950184
Component stock	44672	43280
	1383930	993464

5 Debtors

	1991 £	1990 £
Due within one year		
Trade debtors	1061035	856403
Other debtors	4958	18505
Prepayments	37490	26619
	1103483	901527

6 Creditors (amounts falling due within one year)

	1991 £	1990 £
Bank overdraft	451363	338032
Trade creditors	822997	606478
Corporation tax	128173	61797
Other taxation and social security	110393	66629
Accruals	61516	47296
Obligations under finance leases	106199	56275
	1680641	1176557

The bank overdraft is secured on the company's assets.

7 Creditors (amounts falling due after more than one year)

	1991 £	1990 £
Obligations under finance leases	44404	42435

8 Share capital

	1991 £	1990 £
Authorised 1,000,000 Ordinary shares of 10p each	100000	100000
Allotted issued and fully paid 1,000,000 Ordinary shares of 10p each	100000	100000

9 Reserves

	£
Profit and loss account	
At 1 January 1991	739035
Profit retained for the year	159559
At 31 December 1991	898594

10 Operating profit

	1991 £	1990 £
Operating profit is stated after charging		
(Profit)/Loss on sale of assets	(8552)	2219
Depreciation		
Owned assets	26692	52221
Assets held under finance leases and hire purchase contracts	56778	42061
Auditors' remuneration	5204	3534
Staff costs (Note 11)	530809	392449

11 Directors and employees

	1991 £	1990 £
Staff costs		
Wages and salaries	476001	348901
Social security costs	43816	32734
Pension costs	10992	10814
	530809	392449

Average number of employees by category	No	No
Administration	13	13
Sales and distribution	19	9
Works	22	22
	54	44

Directors' remuneration	£	£
For services as a director	Nil	Nil
For executive services	106840	85756
The emoluments (excluding pension contributions) of the chairman	29500	28967

The emoluments (excluding pension contributions) of the other directors fell within the following ranges	No	No
£25001 - £30000	3	2

12 Interest payable and similar charges

	1991 £	1990 £
On bank loans, overdrafts and other loans wholly repayable within 5 years	87632	102233
On finance leases and hire purchase contracts	17453	16468
	105085	118701

13 Taxation

	1991 £	1990 £
Corporation tax at the rate of 34/33% (1990 35/34%) on the taxable profit of the year	82000	75000
Under provisions in earlier years	34	18230
	82034	93230

14 Extraordinary item

	1991 £	1990 £
Payment to former director	-	(10000)

15 Dividends

	1991 £	1990 £
Ordinary - interim paid 12.79p	56246	37498

16 Capital commitments

	1991 £	1990 £
Contracted but not provided	Nil	Nil
Authorised but not contracted	Nil	Nil

17 Obligations under finance leases (and hire purchase contracts)

	1991 £	1990 £
Net obligations under finance leases are payable		
within one year	106199	56275
in two to five years	44404	42435
after five years	-	-
	150603	98710

18 Exceptional item

The exceptional item relates to all costs incurred during the year in the re-location of the company to new premises.

19 Board approval

The accounts for the year were formally approved by the directors on 26 July 1992.

PEERS HARDY (UK) LIMITED

SOURCE AND APPLICATION OF FUNDS 31 DECEMBER 1991

	1991 £	1991 £	1990 £	1990 £
SOURCE OF FUNDS				
Generated from operations				
Profit on ordinary activities before taxation		297839		346894
Depreciation		83470		94282
Loss (profit) on disposal of tangible assets		(8552)		2219
		372757		443395
Funds from other sources				
Disposal of tangible fixed assets	48900		15763	
Finance leases	1969		40133	
		50869		55896
		423626		499291
APPLICATION OF FUNDS				
Purchase of tangible fixed assets	196845		89763	
Increase in fixed asset investments	-		7500	
Corporation tax paid	15658		13203	
Dividends paid	56246		37498	
Extra-ordinary item	-		10000	
		268749		157964
		154877		341327

INCREASE (DECREASE) IN WORKING CAPITAL

	1991 £	1990 £
Stock	390466	191255
Debtors	201956	142155
Creditors due within one year	(324427)	(314135)
Bank overdraft	(113281)	321992
Cash at bank and in hand	163	60
	154877	341327

AUDITORS' REPORT TO THE DIRECTORS OF

PEERS HARDY (UK) LIMITED

PURSUANT TO SCHEDULE 8(8) TO THE COMPANIES ACT 1985

On 26 July 1992 we reported as auditors to the members of Peers Hardy (UK) Limited on the financial statements of the company prepared under S226 of the Companies Act 1985 for the year ended 31 December 1991 as follows:

We have audited the financial statements on pages 3 to 11 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1991 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

We have examined the abbreviated accounts on pages 3 to 10 together with the full financial statements of Peers Hardy (UK) Limited for the year ended 31 December 1991. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 3 and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Part II of Schedule 8 to the Act in respect of the year ended 31 December 1991 and that the abbreviated accounts have been properly prepared in accordance with that Schedule.

CLEMENT KEYS
Chartered Accountants
Registered Auditor

26 July 1992

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