Register

PEERS HARDY (UK) LIMITED

REPORT AND ABBREVIATED ACCOUNTS

31 DECEMBER 1992

COMPANIES HOUSE
29 OCT 1993
BIRMINGHAM

Registered No: 1391526

# PEERS HARDY (UK) LIMITED

CONTENTS


| CONTENTS | Page |
|---|---|
| Directors' report | 1 & 2 |
| Balance sheet | 3 |
| Profit and loss account | 4 |
| Cash flow statement | 5 |
| Notes to the accounts | 6 - 12 |
| Auditors' report | 13 |

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 1992.

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 £104895. It is recommended that this amount be dealt with as follows:

| | £ |
|---|---|
| Paid dividend (13.63p per share) | 59998 |
| Profit retained | 44897 |
| | 104895 |

Review of the business and future prospects

This year the company has benefited from the extra space and facilities afforded by the new premises, Tompion House. Against an overall reduction in the timepiece market sales have increased by over 15%. However the collapse of Sterling in September has severely impacted on margins in the important final quarter.

The company's brands continue to gain market share and with the policy of total customer support sales growth will continue strongly. With the market very reluctant to accept price increases the effect of Sterling devaluation will take some time to overcome. Margins will remain under pressure through to at least early 1994.

Fixed assets

Movements in fixed assets are shown in notes 2 and 3 on page 7 of the accounts.

Directors and their interests

The directors shown above served on the Board throughout the year.
N R Woolley retires from the Board by rotation at the Annual General Meeting and, being eligible, offers himself for re-election.
The directors at 31 December 1992 had the following interests in the share capital of the company:

| | | At 31 December 1992 Ordinary 10p shares | At 1 January 1992 Ordinary 10p shares |
|---|---|---|---|
| N R Woolley | - 'A' Ordinary shares | 220000 | 220000 |
| J E Story | - 'A' Ordinary shares | 640000 | 639916 |
| | - 'B' Ordinary shares | 140000 | 139972 |

PEERS HARDY (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

## Auditors

In accordance with Section 385 of the Companies Act 1985 a resolution proposing the reappointment of Clement Keys as auditors to the company will be put to the Annual General Meeting.

By order of the Board

N K Woolley

Secretary

11 October 1993

## PEERS HARDY (UK) LIMITED

**BALANCE SHEET** — **31 DECEMBER 1992**

| | Notes | 1992 £ | 1992 £ | 1991 £ | 1991 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 2 | | 170416 | | 228245 |
| Investments | 3 | | 7500 | | 7500 |
| | | | 177916 | | 235745 |
| **Current assets** | | | | | |
| Stock | 4 | 1406316 | | 1383930 | |
| Debtors | 5 | 1116186 | | 1103483 | |
| Cash at bank and in hand | | 5909 | | 481 | |
| | | 2528411 | | 2487894 | |
| Creditors (amounts falling due within one year) | 6 | 1635630 | | 1680641 | |
| Net current assets | | | 892781 | | 807253 |
| Total assets less current liabilities | | | 1070697 | | 1042998 |
| Creditors (amounts falling due after more than one year) | 7 | | 27206 | | 44404 |
| | | | 1043491 | | 998594 |
| **Capital and reserves** | | | | | |
| Called up share capital | 8 | | 100000 | | 100000 |
| Profit and loss account | 9 | | 943491 | | 898594 |
| | | | 1043491 | | 998594 |

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 1992

| | Notes | 1992 | | 1991 | |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| Gross profit | | | 1605438 | | 1749251 |
| Distribution costs | | 713387 | | 719231 | |
| Administrative expenses | | 678964 | | 572187 | |
| | | | 1392351 | | 1291418 |
| Profit before exceptional item | 10 | | 213087 | | 457833 |
| Exceptional item | 17 | | - | | 54909 |
| | | | 213087 | | 402924 |
| Interest payable | 12 | | 81586 | | 105085 |
| Profit from ordinary activities before taxation | | | 131501 | | 297839 |
| Taxation | 13 | | 26606 | | 82034 |
| Profit from ordinary activities after taxation | | | 104895 | | 215805 |
| Dividends | 14 | | 59998 | | 56246 |
| Profit retained | 9 | | 44897 | | 159559 |

Movements on reserves are set out in Note 9.

CASH FLOW STATEMENT 31 DECEMBER 1992

| | Notes | 1992 £ | 1992 £ | 1991 £ | 1991 £ |
|---|---|---|---|---|---|
| Net cash inflow from operating activities | 19 | | 520925 | | 159923 |
| **Returns on investments and servicing of finance** | | | | | |
| Interest paid | | (68615) | | (87632) | |
| Interest element of finance lease rentals | | (12971) | | (17453) | |
| Dividends paid | | (59998) | | (56246) | |
| Net cash outflows from servicing of finance | | | (141584) | | (161331) |
| **Taxation** | | | | | |
| Advance corporation tax paid | | (18746) | | (15624) | |
| Corporation tax paid | | (102710) | | (34) | |
| | | | (121456) | | (15658) |
| **Investing activities** | | | | | |
| Disposal of tangible fixed assets | | 81093 | | 48900 | |
| Purchase of tangible fixed assets | | (4655) | | (196845) | |
| | | | 76438 | | (147945) |
| Net cash inflows/(outflows) from investing activities | | | 334323 | | (165011) |
| **Financing** | | | | | |
| Net cash outflows | 22 | | (135385) | | 51893 |
| Increase/(decrease) in cash and cash equivalents | 20 | | 198938 | | (113118) |

1 Accounting policies

The accounts of the company have been prepared under the historical cost convention and are 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:

| | |
|---|---|
| Plant and equipment | 25% |
| Motor vehicles | 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 (hire purchase) 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 hire purchase contracts

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 date of transaction.

## 2 Tangible fixed assets

| Cost | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|---|---|---|---|
| At 1 January 1992 | 283478 | 144640 | 428118 |
| Additions | 85125 | 4655 | 89780 |
| Disposals | (145413) | (48468) | (193881) |
| At 31 December 1992 | 223190 | 100827 | 324017 |
| **Depreciation** | | | |
| At 1 January 1992 | 68596 | 131276 | 199872 |
| Charged in year | 48766 | 4865 | 53631 |
| On disposals | (51436) | (48466) | (99902) |
| At 31 December 1992 | 65926 | 87675 | 153601 |
| **Net book value** | | | |
| At 31 December 1992 | 157264 | 13152 | 170416 |
| At 31 December 1991 | 214882 | 13363 | 228245 |

The net book value of tangible fixed assets of £170416 (1991 £228245) includes £154664 (1991 £216251) in respect of assets held under finance leases and hire purchase contracts.

## 3 Fixed asset investments

| | 1992 £ | 1991 £ |
|---|---|---|
| Cost | 7500 | 7500 |

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

## 4 Stock

| | 1992 £ | 1991 £ |
|---|---|---|
| Finished goods | 1389188 | 1339258 |
| Component stock | 17128 | 44672 |
| | 1406316 | 1383930 |

5 Debtors

| | 1992 £ | 1991 £ |
|---|---|---|
| Due within one year | | |
| Trade debtors | 1046328 | 1061035 |
| Other debtors | 27332 | 4958 |
| Prepayments | 31902 | 37490 |
| ACT recoverable | 10624 | - |
| | 1116186 | 1103483 |

6 Creditors (amounts falling due within one year)

| | 1992 £ | 1991 £ |
|---|---|---|
| Bank overdraft | 257853 | 451363 |
| Trade creditors | 1125531 | 822997 |
| Corporation tax | 33324 | 128173 |
| ACT payable | 10624 | - |
| Other taxation and social security | 89032 | 110393 |
| Accruals | 46129 | 61516 |
| Obligations under hire purchase contracts (Note 17) | 73137 | 106199 |
| | 1635630 | 1680641 |

The bank overdraft is secured by a fixed and floating charge over the company's assets.

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

| | 1992 £ | 1991 £ |
|---|---|---|
| Obligations under hire purchase contracts (Note 17) | 27206 | 44404 |

8 Share capital

| | 1992 £ | 1991 £ |
|---|---|---|
| Authorised<br>1,000,000 Ordinary shares of 10p each | 100000 | 100000 |
| Allotted issued and fully paid<br>1,000,000 Ordinary shares of 10p each | 100000 | 100000 |

9 Reserves

| | £ |
|---|---|
| **Profit and loss account** | |
| At 1 January 1992 | 898594 |
| Profit retained | 44897 |
| At 31 December 1992 | 943491 |

10 Operating profit

| | 1992 £ | 1991 £ |
|---|---|---|
| Operating profit is stated after charging (crediting) | | |
| Loss/(Profit) on sale of assets | 12886 | (8552) |
| Depreciation | | |
| Owned assets | 15769 | 26692 |
| Assets held under hire purchase contracts | 37862 | 56778 |
| Auditors' remuneration | 4528 | 5204 |
| Staff costs (Note 11) | 603890 | 530809 |
| Operating lease costs: | | |
| Plant and machinery | 4553 | - |
| Land and buildings | 63000 | - |

## 11 Directors and employees

| Staff costs | 1992 £ | 1991 £ |
|---|---|---|
| Wages and salaries | 534429 | 476001 |
| Social security costs | 54968 | 43816 |
| Pension costs | 14493 | 10992 |
| | 603890 | 530809 |

| Average number of employees by category | No | No |
|---|---|---|
| Administration | 14 | 13 |
| Sales and distribution | 7 | 19 |
| Works | 25 | 22 |
| | 46 | 54 |

| Directors' remuneration | £ | £ |
|---|---|---|
| For executive services | 135420 | 106840 |
| The emoluments (excluding pension contributions) of the Chairman | 31500 | 29500 |

| The emoluments (excluding pension contributions) of the other directors fell within the following ranges | No | No |
|---|---|---|
| £5001 - £10000 | - | 1 |
| £25001 - £30000 | - | 2 |
| £30001 - £35000 | 1 | - |
| £35001 - £40000 | 2 | - |

## 12 Interest payable and similar charges

| | 1992 £ | 1991 £ |
|---|---|---|
| On bank loans, overdrafts and other loans wholly repayable within 5 years | 68615 | 87632 |
| On hire purchase contracts | 12971 | 17453 |
| | 81586 | 105085 |

## 13 Taxation

| | 1992 £ | 1991 £ |
|---|---|---|
| Corporation tax at the rate of 25% (1991 34%/33%) on the taxable profit of the year | 40500 | 82000 |
| Over/Under provisions in earlier years | (15337) | 34 |
| Interest on overdue tax | 1443 | - |
| | 26606 | 82034 |

14 Dividends

| | 1992 £ | 1991 £ |
|---|---|---|
| Ordinary - interim paid 13.63p | 59998 | 56246 |

15 Capital commitments

| | 1992 £ | 1991 £ |
|---|---|---|
| Contracted but not provided | Nil | Nil |
| Authorised but not contracted | Nil | Nil |

16 Obligations under hire purchase contracts

| | 1992 £ | 1991 £ |
|---|---|---|
| Net obligations under hire purchase contracts are payable | | |
| within one year | 73137 | 106199 |
| in two to five years | 27206 | 44404 |
| after five years | - | - |
| | 100343 | 150603 |

17 Exceptional item

The exceptional item relates to all costs incurred during the year ended 31 December 1991 in the re-location of the company to new premises.

18 Other financial commitments

Operating leases - annual commitment

| | 1992 | | 1991 | |
|---|---|---|---|---|
| Lease expiring | Plant and machinery £ | Land and buildings £ | Plant and machinery £ | Land and buildings £ |
| in two to five years | 6830 | - | - | - |
| in over five years | - | 63000 | - | 63000 |
| | 6830 | 63000 | - | 63000 |

19 Reconciliation of operating profit to net cash inflow from operating activities

| | 1992 £ | 1991 £ |
|---|---|---|
| Operating profit | 213087 | 402924 |
| Depreciation charges | 53631 | 83470 |
| Loss/(Profit) on sale of tangible fixed assets | 12886 | (8552) |
| Increase in stocks | (22386) | (390466) |
| Increase in debtors | (2079) | (201956) |
| Increase in creditors | 265786 | 274503 |
| | 520925 | 159923 |

20 Analysis of changes in cash and cash equivalents during the year

| | 1992 £ | 1991 £ |
|---|---|---|
| At 1 January 1992 | (450882) | (337764) |
| Net cash inflow | 198938 | (113118) |
| At 31 December 1992 | (251944) | (450882) |

21 Analysis of balances in cash and cash equivalents as shown in the balance sheet

| | 1992 £ | 1991 £ | Change in year £ |
|---|---|---|---|
| Cash at bank and in hand | 5909 | 481 | 5428 |
| Bank overdraft | (257853) | (451363) | 193510 |
| | (251944) | (450882) | 198938 |

22 Analysis of changes in financing during the year

| | 1991 £ |
|---|---|
| At 1 January 1992 | 150603 |
| New hire purchase contracts | 85125 |
| Net cash outflows | (135385) |
| At 31 December 1992 | 100343 |

23 Board approval

The accounts for the year were formally approved by the directors on 11 October 1993.

AUDITORS' REPORT TO THE DIRECTORS OF

PEERS HARDY (UK) LIMITED

PURSUANT TO SCHEDULE 8(24) TO THE COMPANIES ACT 1985

On 11 October 1993 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 1992 as follows:

'We have audited the financial statements on pages 3 to 12 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 1992 and of its profit and cash flow statement 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 12 together with the full financial statements of Peers Hardy (UK) Limited for the year ended 31 December 1992. 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 B of Schedule 8 to the Act in respect of the year ended 31 December 1992 and that the abbreviated accounts have been properly prepared in accordance with that Schedule.

Clement Keys

Swinford House
Albion Street
Brierley Hill
West Midlands
DY5 3EL

CLEMENT KEYS
Chartered Accountants
Registered Auditor

11 October 1993