

TOWN & COUNTRY LIMITED

FINANCIAL STATEMENTS

31 MARCH 2000



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COMPANIES HOUSE 01/05/01

Company Registration Number 2171521

HLB KIDSONS

Chartered Accountants & Registered Auditors
Peel House
Barttelot Road
Horsham
West Sussex
RH12 1BW

TOWN & COUNTRY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2000

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TOWN & COUNTRY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2000

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2000.

Principal activities

The principal activity of the company during the year was property development.

The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 March 2000	At 1 April 1999
H.M. Watson	1	1
S.D. Watson	1	1
A.J Watson	-	-
T.C.S. Watson	-	-

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements 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 financial statements comply with the Companies Act 1985. The directors 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.

Donations

During the year the company made the following contributions:

	2000	1999
	£	£
Charitable	304	1,520

TOWN & COUNTRY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2000

Auditors

A resolution to re-appoint HLB Kidsons as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
121B Kensington Church Street
London
W8 7LP

Signed on behalf of the directors



H.M. Watson
Director

Approved by the directors on 29 March 2001

TOWN & COUNTRY LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31 MARCH 2000

We have audited the financial statements on pages 4 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of the directors and the auditors

As described on page 1, the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

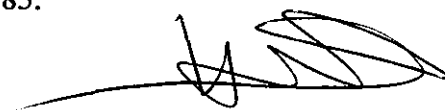
Basis of opinion

We conducted our audit in accordance with 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 financial statements 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2000 and of the loss of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



HLB Kidsons
Registered Auditors
Chartered Accountants

Peel House
Horsham
West Sussex
RH12 1BW

29 March 2001

TOWN & COUNTRY LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2000

	Note	2000 £	1999 £
Turnover		-	1,964,630
Cost of sales		-	(1,606,381)
Gross profit		-	358,249
Administrative expenses		(266,168)	(167,181)
Other operating income	2	159,170	60,000
Operating (loss)/profit	3	(106,998)	251,068
Interest receivable		1,089	1,472
Interest payable and similar charges		(24,725)	(113,726)
(Loss)/profit on ordinary activities before taxation		(130,634)	138,814
Tax on (loss)/profit on ordinary activities		27,262	(30,770)
(Loss)/retained profit for the financial year		<u>(103,372)</u>	<u>108,044</u>

TOWN & COUNTRY LIMITED

BALANCE SHEET

31 MARCH 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	5	4,662	5,827
Current assets			
Stocks		1,522,987	1,106,381
Debtors	6	92,778	10,017
Cash at bank		-	156,751
		<u>1,615,765</u>	<u>1,273,149</u>
Creditors: amounts falling due within one year	7	<u>(722,482)</u>	<u>(232,959)</u>
Net current assets		<u>893,283</u>	<u>1,040,190</u>
Total assets less current liabilities		<u>897,945</u>	<u>1,046,017</u>
Creditors: amounts falling due after more than one year	8	<u>(5,600)</u>	<u>(50,300)</u>
		<u>892,345</u>	<u>995,717</u>
Capital and reserves			
Called-up equity share capital	10	2	2
Profit and loss account	11	892,343	995,715
Shareholders' funds		<u>892,345</u>	<u>995,717</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on 29 March 2001 and are signed on their behalf by:

H. Watson

 H M Watson

TOWN & COUNTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2000

1. Accounting policies

Basis of accounting

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

Turnover

Turnover represents the proceeds from sales of developments, net of selling costs.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office equipment - 20% on the written down value

Work in progress

Work in progress is valued at the lower of cost and net realisable value. The company does not recognise any profit on developments until completion of sales.

Work in progress comprises the costs incurred to date on the purchase and refurbishment of a trading asset. At 31 March 2000 the property was unsold and the directors had decided that in the short term the company would let the property initially for a period of one year. The long term intention of the directors is to sell the property. The development costs are therefore included as trading stock at 31 March 2000.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

2. Other operating income

	2000	1999
	£	£
Rent receivable	<u>159,170</u>	<u>60,000</u>

TOWN & COUNTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2000

3. Operating (loss)/profit

Operating (loss)/profit is stated after charging:

	2000	1999
	£	£
Directors' emoluments	210,000	100,000
Depreciation	1,165	1,456
Auditors' fees	<u>1,200</u>	<u>1,150</u>

4. Directors' pension schemes

The number of directors who are accruing benefits under company pension schemes were as follows:

	2000	1999
	No.	No.
Money purchase schemes	<u>2</u>	<u>2</u>

5. Tangible fixed assets

	Office equipment £
Cost	
At 1 April 1999 and 31 March 2000	<u>10,622</u>
Depreciation	
At 1 April 1999	4,795
Charge for the year	<u>1,165</u>
At 31 March 2000	<u>5,960</u>
Net book value	
At 31 March 2000	<u>4,662</u>
At 31 March 1999	<u>5,827</u>

6. Debtors

	2000	1999
	£	£
Corporation Tax repayable	27,263	-
Other debtors	<u>65,515</u>	<u>10,017</u>
	<u>92,778</u>	<u>10,017</u>

TOWN & COUNTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2000

7. Creditors: amounts falling due within one year

	2000	1999
	£	£
Bank loans and overdrafts	593,930	-
Other taxation and social security	99,771	44,047
Other creditors	28,781	188,912
	<u>722,482</u>	<u>232,959</u>

The company's bank borrowings are secured by the company's bankers by a debenture over all of the company's assets and a legal charge over the company's freehold properties included in trading stock.

8. Creditors: amounts falling due after more than one year

	2000	1999
	£	£
Other creditors	<u>5,600</u>	<u>50,300</u>

9. Related party transactions

The director, H.M. Watson, has a director's loan account with the company. At 31 March 2000 the amount owing to him was £2,835 (1999: £25,488). This amount is included in the financial statements as creditors falling due within one year. The loan is interest free and repayable on demand.

In September 1997 the company received a loan from the Trust Watson Pension Fund of £50,300. £44,700 was repaid during the year leaving a balance outstanding at 31 March 2000 of £5,600. Interest is charged at 3% above bank base lending rate and is payable half yearly. Gross interest paid during the year was £1,820 (1999: £5,612). The loan is repayable on 30 September 2003.

H. M. Watson is trustee of the SC Collier Settlements and directors A.J. Watson and T.C.S. Watson are amongst the beneficiaries of the Settlements. At 31 March 1999 the company had paid invoices on behalf of the Settlements totalling £9,047 (1998: £9,047) which is included in other debtors in the accounts.

The company has made loans to Susie Watson Designs Ltd during the year, a company of which S.D. Watson, director, is a shareholder and director. At 31 March 2000 the amount loaned was £56,036 which is included in the accounts as other debtors.

10. Share capital

Authorised share capital:

	2000	1999
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

TOWN & COUNTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2000

10. Share capital (*continued*)

Allotted, called up and fully paid:

	2000	1999
	£	£
Ordinary share capital	<u>2</u>	<u>2</u>

11. Profit and loss account

	2000	1999
	£	£
Balance brought forward	995,715	887,671
Retained (loss)/profit for the financial year	<u>(103,372)</u>	<u>108,044</u>
Balance carried forward	<u>892,343</u>	<u>995,715</u>