

TOWN & COUNTRY LIMITED
FINANCIAL STATEMENTS
31 MARCH 2002

Company Registration Number 2171521



BAKER TILLY
Chartered Accountants & Registered Auditors
Gleneagles Court
Brighton Road
Crawley
RH10 6AD

TOWN & COUNTRY LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2002

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TOWN & COUNTRY LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2002.

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 2002	At 1 April 2001
H.M. Watson	1	1
S.D. Watson	<u>1</u>	<u>1</u>

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 pages 7 to 8, 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:

	2002	2001
	£	£
Charitable	<u>-</u>	<u>400</u>

Auditors

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

TOWN & COUNTRY LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2002

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:

15 Campden Hill Square,
London, W8 7JY.

Signed on behalf of the directors

H. Watson
H.M. Watson
Director

Approved by the directors on 29 January 2003

TOWN & COUNTRY LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31 MARCH 2002

Independent auditors' report to the shareholders of Town & Country Limited

We have audited the financial statements on pages 5 to 12 of Town & Country Limited for the year ended 31 March 2002. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002) under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications of our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

TOWN & COUNTRY LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS (*CONTINUED*)

YEAR ENDED 31 MARCH 2002

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 2002 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.



Gleneagles Court
Brighton Road
Crawley
RH10 6AD

BAKER TILLY
Chartered Accountants
& Registered Auditors

29 January 2003

TOWN & COUNTRY LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2002

	Note	2002 £	2001 £
Turnover		2,423,283	415,000
Cost of sales		(1,689,778)	(417,491)
Gross profit/(loss)		733,505	(2,491)
Administrative expenses		(105,030)	(248,759)
Other operating income	2	214,374	171,818
Operating profit/(loss)	3	842,849	(79,432)
Interest receivable		11,390	-
Interest payable		(34,967)	(97,080)
Profit/(loss) on ordinary activities before taxation		819,272	(176,512)
Tax on profit/(loss) on ordinary activities	5	(249,902)	-
Profit/(loss) on ordinary activities after taxation		569,370	(176,512)
Equity dividends paid		(88,000)	-
Retained profit/(loss) for the financial year		481,370	(176,512)

TOWN & COUNTRY LIMITED

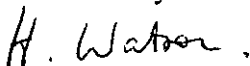
BALANCE SHEET

31 MARCH 2002

	Note	2002 £	2001 £
Fixed assets			
Tangible assets	6	2,984	3,730
Investments	7	<u>1</u>	<u>1</u>
		2,985	3,731
Current assets			
Stocks		1,126,076	2,699,654
Debtors	8	18,654	27,262
Cash at bank		<u>332,724</u>	-
		1,477,454	2,726,916
Creditors: amounts falling due within one year	9	<u>(277,140)</u>	<u>(2,009,213)</u>
Net current assets		1,200,314	717,703
Total assets less current liabilities		1,203,299	721,434
Creditors: amounts falling due after more than one year	10	<u>(5,600)</u>	<u>(5,600)</u>
		1,197,699	715,834
Provisions for liabilities and charges			
Deferred taxation	11	<u>(495)</u>	-
		<u>1,197,204</u>	<u>715,834</u>
Capital and reserves			
Called-up equity share capital	13	2	2
Profit and loss account	14	<u>1,197,202</u>	<u>715,832</u>
Shareholders' funds		<u>1,197,204</u>	<u>715,834</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 June 2002).

These financial statements were approved by the directors on the 29 January 2003 and are signed on their behalf by:


H.M. Watson

YEAR ENDED 31 MARCH 2002

TOWN & COUNTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2002

1. Accounting policies (*continued*)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet dates. Deferred tax is measured on a non-discounted basis.

2. Other operating income

	2002	2001
	£	£
Rent receivable	<u>214,374</u>	<u>171,818</u>

3. Operating profit/(loss)

Operating profit/(loss) is stated after charging:

	2002	2001
	£	£
Directors' emoluments	-	83,202
Depreciation	746	932
Auditors' fees	<u>1,400</u>	<u>1,300</u>

4. Directors' pension schemes

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

	2002	2001
	No.	No.
Money purchase schemes	<u>2</u>	<u>2</u>

TOWN & COUNTRY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2002

5. Tax on profit or loss on ordinary activities

	2002 £	2001 £
Corporation Tax based on the results for the year at 30% (2001 - 20%)	249,407	-
Increase in deferred tax provision (Note 11):		
Capital allowances	495	-
	<u>249,902</u>	<u>-</u>

6. Tangible fixed assets

	Equipment £
Cost	
At 1 April 2001 and 31 March 2002	<u>10,622</u>
Depreciation	
At 1 April 2001	6,892
Charge for the year	746
At 31 March 2002	<u>7,638</u>
Net book value	
At 31 March 2002	<u>2,984</u>
At 31 March 2001	<u>3,730</u>

7. Investments

Unlisted investments

	£
Cost	
At 1 April 2001 and 31 March 2002	<u>1</u>
Net book value	
At 31 March 2002	<u>1</u>
At 31 March 2001	<u>1</u>

TOWN & COUNTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2002

7. Investments *(continued)*

The company owns 100% of the issued share capital of the Susie Watson Designs Limited, a company incorporated in the UK whose principal activity is the design, manufacture and sale of household objects, clothing and other goods.

The loss for the period from incorporation to 31 March 2002 and the aggregate capital and reserves of Susie Watson Designs Limited was:-

Aggregate capital and reserves	(136,767)	(107,577)
Loss for the year	(29,190)	(107,578)

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

8. Debtors

	2002 £	2001 £
Corporation Tax repayable	-	27,262
Other debtors	18,654	-
	<u>18,654</u>	<u>27,262</u>

9. Creditors: amounts falling due within one year

	2002 £	2001 £
Bank loans and overdrafts	-	1,867,921
Corporation Tax	249,406	-
Other taxation and social security	-	38,341
Other creditors	27,734	102,951
	<u>277,140</u>	<u>2,009,213</u>

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

	2002 £	2001 £
Other creditors	<u>5,600</u>	<u>5,600</u>

TOWN & COUNTRY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2002

11. Deferred taxation

The movement in the deferred taxation provision during the year was:

	2002	2001
	£	£
Provision for year	495	-
Provision carried forward	<u>495</u>	<u>-</u>

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2002	2001
	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>495</u>	<u>-</u>

12. Related party transactions

The director, H.M. Watson, has a director's loan account with the company. At 31 March 2002 the amount owed from to him was £688 (owed 2001: £11,287). This amount is included in the financial statements as creditors falling due within one year. The loan is interest free and repayable on demand.

The company has received a loan from the Trust Watson Pension Fund of £5,600. The balance outstanding at 31 March 2002 was £5,600 (2001: £5,600). Interest is charged at 3% above bank base lending rate and is payable yearly. Gross interest paid during the year was £429 (2001: £520). The loan is repayable on 30 September 2003.

H.M. Watson is trustee of the SC Collier Settlements, of which his children are amongst the beneficiaries. During the year to 31 March 2002 the company paid invoices on behalf of the Settlements totalling £27,011. This amount was written off during the year ended 31 March 2002.

The company has made loans to its subsidiary Susie Watson Designs Ltd during the year. The amount due at 31 March 2002 was £92,427 (2001: £78,646) which has been provided for in full.

13. Share capital

Authorised share capital:

	2002	2001
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

TOWN & COUNTRY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2002

13. Share capital (*continued*)

Allotted, called up and fully paid:

	2002	2001
	£	£
Ordinary share capital	<u>2</u>	<u>2</u>

14. Profit and loss account

	2002	2001
	£	£
Balance brought forward	715,832	892,344
Retained profit/(loss) for the financial year	<u>481,370</u>	<u>(176,512)</u>
Balance carried forward	<u>1,197,202</u>	<u>715,832</u>