2252515

CHARLES FARRIS LIMITED

ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2002



CHARLES FARRIS LIMITED

COMPANY INFORMATION

Directors	R.G. Simpson R.M.J. Keene Mrs. M.J. Keene
Secretary	Mrs. M.J. Keene
Company number	2252575
Registered office	Quarry Fields Mere Wiltshire BA12 6LA
Auditors	Alliott Wingham Kintyre House, 70 High Street Fareham Hampshire PO16 7BB
Business address	Quarry Fields, Mere Wiltshire BA12 6LA
Bankers	Barclays Bank Plc King George Street Yeovil Somerset BA20 1PX

CHARLES FARRIS LIMITED

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CHARLES FARRIS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2002

The directors present their report and financial statements for the year ended 31 March 2002.

Principal activities and review of the business

The principal activity of the company continued to be that of candle manufacturers for sale to churches and the retail market.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Future developments

The directors anticipate a further increase in turnover during the year to 31st March 2003. They also anticipate that the company will continue to trade profitably and the state of the company will continue to be satisfactory.

Directors

The following directors have held office since 1 April 2001:

R.G. Simpson
R.M.J. Keene
Mrs. M.J. Keene

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2002	1 April 2001
R.G. Simpson	-	-
R.M.J. Keene	-	-
Mrs. M.J. Keene	-	-

	Redeemable shares of £ 1 each	
	31 March 2002	1 April 2001
R.G. Simpson	-	-
R.M.J. Keene	45	45
Mrs. M.J. Keene	-	-

Charitable contributions

During the year the company made charitable donations of £490- (2001 : £70-).

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Alliott Wingham be reappointed as auditors of the company will be put to the Annual General Meeting.

CHARLES FARRIS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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. They 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.

On behalf of the board

Mrs. M.J. Keene
Director
5 June 2002

CHARLES FARRIS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHARLES FARRIS LIMITED

We have audited the financial statements of Charles Farris Limited on pages 4 to 14 for the year ended 31 March 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out herein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 for 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.

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.

Alliott Wingham

13 June 2002

Chartered Accountants
Registered Auditor

Kintyre House, 70 High Street
Fareham
Hampshire
PO16 7BB

CHARLES FARRIS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £	2001 £
Turnover	2	1,864,835	1,761,512
Cost of sales		(1,075,370)	(1,041,976)
Gross profit		789,465	719,536
Distribution costs		(242,484)	(216,085)
Administrative expenses		(337,986)	(332,317)
Other operating income		4,000	6,000
Operating profit	3	212,995	177,134
Other interest receivable and similar income		8,175	7,499
Interest payable and similar charges	4	(12,486)	(15,338)
Profit on ordinary activities before taxation		208,684	169,295
Tax on profit on ordinary activities	5	(531)	43,269
Profit on ordinary activities after taxation	16	208,153	212,564

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

CHARLES FARRIS LIMITED

BALANCE SHEET
AS AT 31 MARCH 2002

	Notes	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Intangible assets	6		4,750		-
Tangible assets	7		118,481		134,874
Investments	8		267,955		267,955
			391,186		402,829
Current assets					
Stocks	9	220,347		229,025	
Debtors	10	411,456		292,709	
Cash at bank and in hand		193,416		185,364	
		825,219		707,098	
Creditors: amounts falling due within one year	11	(570,459)		(617,764)	
Net current assets			254,760		89,334
Total assets less current liabilities			645,946		492,163
Creditors: amounts falling due after more than one year	12		(206,789)		(260,371)
Provisions for liabilities and charges	13		(735)		(1,523)
			438,422		230,269
Capital and reserves					
Called up share capital	15		47		47
Profit and loss account	16		438,375		230,222
Shareholders' funds	17		438,422		230,269
Equity interests			438,377		230,224
Non-equity interests			45		45
			438,422		230,269

The financial statements were approved by the Board on 5 June 2002

R.M.J. Keene
Director

Mrs. M.J. Keene
Director

CHARLES FARRIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

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1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% on a straight line basis (excluding land)
Property improvements	10% on a straight line basis
Plant and machinery	12.5% on a straight line basis
Fixtures, fittings & equipment	10% & 33.3% on a straight line basis
Motor vehicles	25% on a reducing balance basis

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.8 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value.

1.9 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.10 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.11 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.12 Group accounts

The company does not prepare group accounts because it is a subsidiary of another company that prepares group accounts.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

2 Turnover

Geographical market

	Turnover 2002 £	2001 £
United Kingdom	1,820,519	1,689,204
Rest of the world	44,316	72,308
	1,864,835	1,761,512

3 Operating profit

	2002 £	2001 £
Operating profit is stated after charging:		
Amortisation of intangible assets	249	-
Depreciation of tangible assets	27,542	28,609
Operating lease rentals		
- Plant and machinery	3,157	3,650
- Other assets	51,421	44,655
Auditors' remuneration	4,125	3,500

4 Interest payable

	2002 £	2001 £
On other loans wholly repayable within 5 years	12,335	15,224
On overdue tax	151	114
	12,486	15,338

5 Taxation

	2002 £	2001 £
Domestic current year taxation		
Adjustment for prior years	1,319	(42,712)
Deferred taxation	(788)	(557)
	531	43,269

The Corporation tax charge for 2002 has been reduced by £65,053 (2001 £52,262) due to the availability of group relief for which no payment has been made.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

6 Intangible fixed assets

	Goodwill £
Cost	
At 1 April 2001	-
Additions	4,999
At 31 March 2002	4,999
Amortisation	
At 1 April 2001	-
Charge for year	249
At 31 March 2002	249
Net book value	
At 31 March 2002	4,750

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

7 **Tangible fixed assets**

	Land and buildings Freehold	Property improve-ments	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2001	52,574	38,044	224,192	67,940	23,600	406,350
Additions	-	-	9,942	11,312	-	21,254
Disposals	-	-	-	-	(23,600)	(23,600)
At 31 March 2002	52,574	38,044	234,134	79,252	-	404,004
Depreciation						
At 1 April 2001	4,350	28,261	179,590	46,700	12,575	271,476
On disposals	-	-	-	-	(13,495)	(13,495)
Charge for the year	600	2,752	12,926	10,344	920	27,542
At 31 March 2002	4,950	31,013	192,516	57,044	-	285,523
Net book value						
At 31 March 2002	47,624	7,031	41,618	22,208	-	118,481
At 31 March 2001	48,224	9,783	44,602	21,240	11,025	134,874

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

8 Fixed asset investments

	Shares in subsidiary undertakings £
Cost	
At 1 April 2001 & at 31 March 2002	267,955

Holdings of more than 20%
The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Ethos Candles Limited	UK	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Ethos Candles Limited	297,194	-

9 Stocks and work in progress

	2002 £	2001 £
Raw materials and consumables	54,312	47,917
Work in progress	500	500
Finished goods and goods for resale	165,535	180,608
	220,347	229,025

10 Debtors

	2002 £	2001 £
Trade debtors	246,516	280,599
Amounts owed by parent and fellow subsidiary undertakings	143,483	-
Other debtors	1,547	75
Prepayments and accrued income	19,910	12,035
	411,456	292,709

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

11 Creditors: amounts falling due within one year	2002 £	2001 £
Loan notes	60,746	57,164
Trade creditors	152,296	126,825
Amounts owed to parent and fellow subsidiary undertakings	-	73,455
Amounts owed to subsidiary undertakings	297,194	297,194
Corporation tax	-	7,083
Other taxes and social security costs	49,871	41,805
Directors' current accounts	101	101
Other creditors	-	3,726
Accruals and deferred income	10,251	10,411
	570,459	617,764

12 Creditors: amounts falling due after more than one year	2002 £	2001 £
Loan notes	107,164	160,746
Amounts due to parent and fellow subsidiary undertakings	99,625	99,625
	206,789	260,371
Analysis of loans		
Wholly repayable within five years	167,910	217,910
	167,910	217,910
Included in current liabilities	(60,746)	(57,164)
	107,164	160,746
Between one and two years	53,582	53,582
Between two and five years	153,207	206,789

Loans to and from group companies are long term and interest free.

The Loan notes are repayable within five years by instalments, interest is payable at the rate of 6%p.a.

13 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 April 2001	1,523
Profit and loss account	(788)
Balance at 31 March 2002	735

Deferred taxation provided in the financial statements is as follows:

	Fully provided	
	2002 £	2001 £
Accelerated capital allowances	735	1,523

14 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £15,922 (2001 - £12,280).

15 Share capital

	2002 £	2001 £
Authorised		
100 Ordinary shares of £ 1 each	100	100
45 Redeemable shares of £ 1 each	45	45
	145	145
Allotted, called up and fully paid		
2 Ordinary shares of £ 1 each	2	2
45 Redeemable shares of £ 1 each	45	45
	47	47

Each ordinary share ranks equally as to rights to dividends, voting and capital upon a winding up. The redeemable shares only rank for voting and have 1 vote each compared to ordinary shares which have 50 votes each.
The company shall redeem the shares on the 30th June 2004 at a value to be determined from the excess of the profits of the company before taxation for the two years ended 31st March 2004 to the extent that these exceed a predetermined amount.
Had the shares been redeemable on the 31st March 2002 based on the results for the two preceeding years the value per share would have been nil.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2002

16 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2001	230,222
Retained profit for the year	208,153
Balance at 31 March 2002	438,375

17 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year	208,153	212,564
Opening shareholders' funds	230,269	17,705
Closing shareholders' funds	438,422	230,269

18 Financial commitments

At 31 March 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2002 £	2001 £	2002 £	2001 £
Expiry date:				
Between two and five years	33,000	33,000	22,630	12,300

19 Directors' emoluments

	2002 £	2001 £
Emoluments for qualifying services	84,623	79,190
Company pension contributions to money purchase schemes	7,200	7,200
	91,823	86,390

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2001 - 1).

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2002 Number	2001 Number
Office and management	7	6
Sales	5	6
Direct labour	16	19
	28	31

Employment costs

	£	£
Wages and salaries	398,779	373,448
Social security costs	34,452	30,468
Other pension costs	15,922	12,280
	449,153	416,196

21 Control

The ultimate holding company is Senex Holdings Limited, a company registered in England and Wales which is the largest and smallest group to consolidate the accounts of the company. Copies of the group accounts of Senex Holdings Limited are available from the Company Secretary, 110 York Road, London SW11 3RU.

22 Related party transactions

(a) The company has taken advantage of the exemption relating to subsidiary undertakings within Financial Reporting Standard No 8.