

Co's House

HOULDEN JEWELLERS LIMITED

Report and Accounts

29 February 2012

WEDNESDAY



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COMPANIES HOUSE

Houlden Jewellers Limited

NOTICE OF MEETING

NOTICE is hereby given that the thirty fifth annual general meeting of Houlden Jewellers Limited will be held at East Sussex National, East Sussex on 19 June 2012 to transact the following business:

1. To receive and adopt the directors' report and the audited accounts for the year ended 29 February 2012.
2. To appoint HF Haddow and A Pugh as directors.

On behalf of the board

W S Laing
Director

25 May 2012

Rowan House
70 Buchanan Street
Glasgow
G1 3JE

NOTE

Any member of the company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not be a member of the company.

Houlden Jewellers Limited

DIRECTORS AND ADVISERS

DIRECTORS

W S Laing (Chairman and Chief Executive)
C Carry
H Haddow
M Hyman
K Gill
ECC Pyke

SECRETARY

H F Haddow

AUDITORS

Baker Tilly UK Audit LLP
Breckenridge House
274 Sauchiehall Street
Glasgow
G2 3EH

BANKERS

Bank of Scotland
110 Queen Street
Glasgow
G2 5EJ

Clydesdale Bank
30 St Vincent Place
Glasgow
G1 2HL

SOLICITORS

Dallas McMillan
Regent Court
70 West Regent Street
Glasgow
G2 4AD

REGISTERED OFFICE

Rowan House
70 Buchanan Street
Glasgow
G1 3JE

Houlden Jewellers Limited

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 29 February 2012.

RESULTS AND DIVIDENDS

The results for the year are detailed on page 6 of the financial statements. The rebate for the year amounts to £12,611, and shall be distributed to the members in accordance with the Membership Agreement. The directors recommend that the full amount of the rebate be held within the members loan account, and not paid out to those members who have reached the required loan level.

The directors recommend that no dividend be paid.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the company is that of importers and wholesalers of jewellery, watches and giftware; and to provide buying, training and marketing services to the high end of the jewellery and watch independent retail sector in the UK and Ireland.

Our turnover has increased by 7% which reflects the combined result of new members joining the group and by the high costs of diamonds and precious metals this is offset by the cautious buying strategies of existing members. We have continued to actively promote the group through a series of initiatives including the sponsorship of the Designs of Excellence Award at the Jewellery Show and the WatchPro Watches of the Year report; together with the exhibiting at the International Jewellery London Show. This promotional activity has been successful with a further two new members being accepted and several other companies considering membership post year end..

Our growing membership has not had the expected impact on other operating income as expected, as a special discounted membership offer was extended to the new members. Strict financial controls continue to be implemented; despite this administrative costs have risen. However, this can be solely attributed to increased promotional activity and related costs. Improving turnover, producing increasing gross margin, off set by the rising administrative expenses has produced a profit before tax of £16,307.

The company continues to source interesting suppliers, willing to work with the group at preferential rates; and building upon the existing relationships. In addition our training programme is under constant development, with existing courses being adapted to keep abreast of industry changes. We also continue to provide various forums, meetings, world class speaker sessions, and a website which provide networking opportunities for our members and advice in all areas of business. Therefore, we constantly aim to improve our services to provide support to our independent retailers and assist them to gain a competitive edge in a challenging environment.

DIRECTORS AND THEIR INTERESTS

The directors shown below have held office throughout the year ended 29 February 2012: WS Laing, M Hyman and ECC Pyke.

It is with sadness that we note the death of AR Rudell, director, on 20 May 2011.

Other changes in the directors holding office are as followed:

C Carry (appointed 14 June 2012), K Gill (appointed 14 June 2011), HF Haddow (appointed 4 October 2011), RA Hartmann (resigned 14 June 2011), PJ Lunn (resigned 14 June 2011).

During the year HF Haddow was co-opted onto the Board of Directors and is being put forward for formal appointment by the members.

Houlden Jewellers Limited

DIRECTORS' REPORT

AUDITORS

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant information of which the auditors are unaware. Each of the directors have confirmed that they have taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



W S Laing
Director

25 May 2012

Houlden Jewellers Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Houlden Jewellers Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOULDEN JEWELLERS LIMITED

We have audited the financial statements on pages 6 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 29 February 2012 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

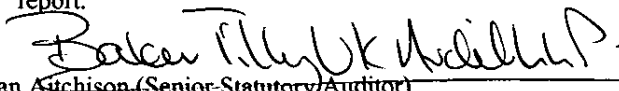
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors' report.


Alan Atchison (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Breckenridge House
274 Sauchiehall Street
Glasgow G2 3EH

Date: 25 May 2012

Houlden Jewellers Limited

PROFIT AND LOSS ACCOUNT for the year ended 29 February 2012

	<i>Note</i>	<i>2012</i> £	<i>2011</i> £
TURNOVER	2	20,627,832	19,324,373
Cost of sales		(20,411,660)	(19,119,828)
GROSS PROFIT		216,172	204,545
Administrative expenses	3	(372,948)	(365,931)
Other operating income	5	168,679	163,315
OPERATING PROFIT		11,903	1,929
Interest received	6	4,411	3,703
Interest payable	7	(7)	(10)
PROFIT BEFORE TAXATION AND MEMBERS' REBATES		16,307	5,622
Rebates to members	16	(12,611)	(4,058)
PROFIT BEFORE TAXATION		3,696	1,564
Taxation charge	8	(3,696)	(1,564)
RETAINED PROFIT FOR THE FINANCIAL YEAR		-	-

Houlden Jewellers Limited

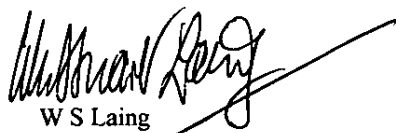
BALANCE SHEET

at 29 February 2012

		2012	2011
	Note	£	£
FIXED ASSETS			
Tangible assets	9	9,057	15,395
Investments	10	2	2
		<u>9,059</u>	<u>15,397</u>
CURRENT ASSETS			
Stocks	11	2,077	5,360
Debtors	12	2,168,188	1,802,521
Cash at bank and in hand		296,847	448,685
		<u>2,467,112</u>	<u>2,256,566</u>
CREDITORS - amounts falling due within one year	13	(2,222,069)	(2,016,787)
NET CURRENT ASSETS		<u>245,043</u>	<u>239,779</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>254,102</u>	<u>255,176</u>
CREDITORS - amounts falling due after more than one year			
Members' loans	14	253,918	254,992
CAPITAL AND RESERVES			
Called up share capital	15	183	183
Profit and loss account	16	1	1
		<u>254,102</u>	<u>255,176</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 6 to 13 were approved by the board of directors and authorised for issue on 25 May 2012 and are signed on their behalf by:


W S Laing
Director

25 May 2012

Houlden Jewellers Limited

NOTES ON THE ACCOUNTS

at 29 February 2012

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention modified to include the revaluation of certain fixed assets and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

Turnover

Turnover comprises the invoice value of goods and services supplied by the company to its members exclusive of VAT.

Depreciation of tangible fixed assets

The cost of tangible fixed assets is written off over their expected useful lives as follows:

Leasehold improvements	-	20% on a straight-line basis
Office equipment	-	20% on a reducing balance basis
Computers	-	25% on a straight-line basis

The carrying value of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to profit and loss account as they become payable in accordance with the rules of the scheme.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument in any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Operating leases

Rentals applicable to operating leases where all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

2 TURNOVER

Turnover is attributable to one single continuing activity, namely that of importers and wholesalers of jewellery, watches, giftware and marketing services. The turnover is derived within the United Kingdom except for sales of £3,296,441 (2011 - £3,135,588) to other EU countries.

Houlden Jewellers Limited

NOTES ON THE ACCOUNTS

at 29 February 2012

3 ADMINISTRATIVE EXPENSES

These expenses include:

	2012	2011
	£	£
Depreciation of tangible fixed assets		
- owned	6,958	12,615
Operating lease rentals		
- land and buildings	17,807	20,007
- equipment	-	7,184
Auditors' remuneration		
- audit services	6,900	6,600
- non-statutory assurance	900	800

4 DIRECTORS' REMUNERATION

	2012	2011
	£	£
Emoluments	49,760	32,099
Pension contributions	1,633	-

Pension contributions totalling £1,633 were paid in respect of one of the directors.

5 OTHER OPERATING INCOME

	2012	2011
	£	£
Management fees from members	165,150	159,500
Joining fee from new members	2,000	2,000
Other income	1,529	1,815

6 INTEREST RECEIVED

	2012	2011
	£	£
Bank interest received	2,653	2,177
Other interest received	1,758	1,526

Houlden Jewellers Limited

NOTES ON THE ACCOUNTS

at 29 February 2012

7 INTEREST PAYABLE

	2012 £	2011 £
Bank interest	7	10

8 TAXATION CHARGE

The charge for taxation is made up as follows:

	2012 £	2011 £
UK Corporation tax	3,874	1,784
(Less): (Over) provision in previous years	(178)	(220)
	3,696	1,564

9 TANGIBLE FIXED ASSETS

	<i>Leasehold Improvements</i> £	<i>Computer equipment</i> £	<i>Office equipment</i> £	<i>Total</i> £
Cost				
As at 1 March 2011	18,044	44,066	13,044	75,154
Additions	-	620	-	620
At 29 February 2012	18,044	44,686	13,044	75,774
Depreciation				
As at 1 March 2011	18,044	33,138	8,577	59,759
Charge for year	-	6,064	894	6,958
At 29 February 2012	18,044	39,202	9,471	66,717
Net book amounts				
At 29 February 2012	-	5,484	3,573	9,057
Net book amounts				
At 28 February 2011	-	10,928	4,467	15,395

Houlden Jewellers Limited

NOTES ON THE ACCOUNTS

at 29 February 2012

10 INVESTMENTS

	<i>Investments in subsidiary undertakings</i>
	£
Cost and net book amount:	
At 1 March 2011 and at 28 February 2012	2

<i>Company</i>	<i>Country of registration</i>	<i>Holding</i>	<i>Proportion of voting rights</i>	<i>Nature of business</i>
Jewellers of Excellence Ltd	Scotland	Ordinary shares	100%	Non-trading

11 STOCKS

	<i>2012</i>	<i>2011</i>
	£	£
Jewellery	2,077	5,360

12 DEBTORS

	<i>2012</i>	<i>2011</i>
	£	£
Due within one year		
Trade debtors	2,083,067	1,723,147
Value added tax	44,137	36,144
Prepayments and accrued income	29,257	25,475
Other debtors	11,727	17,755
	2,168,188	1,802,521

13 CREDITORS - amounts falling due within one year

	<i>2012</i>	<i>2011</i>
	£	£
Trade creditors	2,057,048	1,875,459
Members loan accounts	14 24,650	3,456
Other creditors and accruals	128,032	127,821
Corporation tax	3,874	1,784
Other taxation and social security	8,465	8,267
	2,222,069	2,016,787

Houlden Jewellers Limited

NOTES ON THE ACCOUNTS

at 29 February 2012

14 MEMBERS' LOANS

	<i>Notes</i>	<i>2012</i> £	<i>2011</i> £
Balance at 1 March		258,448	274,353
Rebate for year		12,611	4,058
		<u>271,059</u>	<u>278,411</u>
Repaid to members		-	(27,013)
Loans received from members		7,509	7,050
		<u>278,568</u>	<u>258,448</u>
Balance at end of February		278,568	258,448
Repayable within one year	13	(24,650)	(3,456)
		<u>253,918</u>	<u>254,992</u>
Due after one year			

15 CALLED UP SHARE CAPITAL

	<i>2012</i> <i>No.</i>	<i>Authorised</i> <i>2011</i> <i>No.</i>	<i>Allotted, called up</i> <i>and fully paid</i> <i>2012</i> £	<i>2011</i> £
Ordinary shares of £1 each	1,000	1,000	183	183

16 RECONCILIATION OF SHAREHOLDERS FUNDS AND MOVEMENTS ON RESERVES

	<i>Share</i> <i>capital</i> £	<i>Profit</i> <i>and loss</i> <i>account</i> £	<i>Total</i> £
At 1 March 2010	183	1	184
Profit for year after taxation and before rebate	-	4,058	4,058
Rebated to members	-	(4,058)	(4,058)
At 1 March 2011	183	1	184
Profit for year after taxation and before rebate	-	12,611	12,611
Rebated to members	-	(12,611)	(12,611)
At 29 February 2012	183	1	184

Houlden Jewellers Limited

NOTES ON THE ACCOUNTS

at 29 February 2012

17 COMMITMENTS

Pension commitments

The company operates a defined contribution pension scheme for one of its senior employees, together with a stakeholder pension scheme for all other employees. The assets of the schemes are held separately from those of the company in independently administered funds. Contributions of £112 (2011-£905) were due at 29 February 2012.

Other financial commitments

The commitment to pay rentals under non-cancellable operating leases on the forthcoming financial year is as follows:

	<i>Land and buildings</i>		<i>Equipment</i>	
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>
	£	£	£	£
Leases expiring				
Between two and five years	32,000	32,000	-	-

18 RELATED PARTIES

- (a) All the turnover of the company is generated from its members.
- (b) A company in which Mr P J Lunn is a shareholder has, in the normal course of business, supplied goods to the value of £1,914,355 (2011-£1,069,787) to the company. The balance due to Sharman D Neill Limited at 28 February 2011 for the provision of such goods and services is £277,235 (2011 - £57,095).