

Company Registration No. 95916 (Scotland)

H ENGLAND (HOLDINGS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2002



H ENGLAND (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	J.H.L. England D.J.P. England H.A. England
Secretary	D.J.P. England
Company number	95916
Registered office	6 Atholl Crescent, PERTH. PH1 5JN.
Auditors	Morris & Young Chartered Accountants & Registered Auditors, 6 Atholl Crescent, Perth. PH1 5JN.
Bankers	Royal Bank of Scotland, 12 Dunkeld Road, Perth. PH1 5RB
Solicitors	Murray Beith Murray 39 Castle Street Edinburgh EH2 3BH

H ENGLAND (HOLDINGS) LIMITED

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H ENGLAND (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 28 FEBRUARY 2002

The directors present their report and financial statements for the year ended 28 February 2002.

Principal activities

The Company's principal activity is the provision of management services to subsidiary companies. The directors are satisfied with the performance of the company and its subsidiaries and anticipate satisfactory trading conditions in the current year.

Directors

The following directors have held office since 1 March 2001:

J.H.L. England
D.J.P. England
H.A. England

Directors' interests

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

	Ordinary shares class 1 of £ 10 each	
	28 February 2002	1 March 2001
D.J.P. England	24	24
J.H.L. England	-	-
H.A. England	-	-

	Ordinary shares class 2 of 1p each	
	28 February 2002	1 March 2001
D.J.P. England	-	-
J.H.L. England	76	76
H.A. England	-	-

Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, Morris & Young, will be deemed to be reappointed for each succeeding financial year.

H ENGLAND (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 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.

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

On behalf of the board



D.J.P. England

Director

5 July 2002

H ENGLAND (HOLDINGS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF H ENGLAND (HOLDINGS) LIMITED

We have audited the financial statements of H England (Holdings) Limited on pages 4 to 14 for the year ended 28 February 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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

In accordance with Section 248 Companies Act 1985, the Company is exempt from preparing Group Accounts for the financial year to 28 February 2002.

Thus no group accounts have been prepared for the year.


Morris & Young
Chartered Accountants & Registered Auditors,
6 Atholl Crescent,
Perth.
PH1 5JN.

5 July 2002

H ENGLAND (HOLDINGS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28 FEBRUARY 2002

		2002	2001 as restated
	Notes	£	£
Turnover		89,055	112,129
Administrative expenses		(35,523)	(60,193)
Other operating income		2,555	-
Operating profit	2	56,087	51,936
Investment income	3	-	40,488
Other interest receivable and similar income		7	48
Interest payable and similar charges	4	(2,616)	(1,889)
Profit on ordinary activities before taxation		53,478	90,583
Tax on profit on ordinary activities	5	(12,691)	(11,411)
Profit on ordinary activities after taxation		40,787	79,172
Dividends		(30,000)	-
Retained profit for the year	12	10,787	79,172

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

H ENGLAND (HOLDINGS) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 28 FEBRUARY 2002

	2002 £	2001 £
Profit for the financial year	40,787	79,172
Prior year adjustment	(3,376)	-
Total gains and losses recognised since last financial statements	<u>37,411</u>	<u>79,172</u>

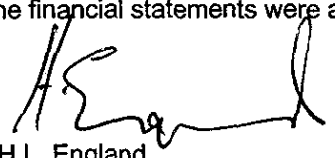
H ENGLAND (HOLDINGS) LIMITED

BALANCE SHEET AS AT 28 FEBRUARY 2002

		2002		2001 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	6		386,399		399,784
Investments	7		5,181		5,421
			<u>391,580</u>		<u>405,205</u>
Current assets					
Debtors	8	104,821		115,791	
		<u>104,821</u>		<u>115,791</u>	
Creditors: amounts falling due within one year	9	(135,990)		(171,314)	
Net current liabilities			(31,169)		(55,523)
Total assets less current liabilities			<u>360,411</u>		<u>349,682</u>
Provisions for liabilities and charges	10		(3,318)		-
			<u>357,093</u>		<u>349,682</u>
Capital and reserves					
Called up share capital	11		241		241
Profit and loss account	12		356,852		349,441
Shareholders' funds - equity interests	13		<u>357,093</u>		<u>349,682</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

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


J.H.L. England
Director

H ENGLAND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention. The accounts only contain the information about the individual undertaking and not the group.

1.2 Turnover

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

1.3 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 Heritable	Land is not depreciated / Heritable property is depreciated at 4% Reducing Balance
Equipment	15% Reducing Balance

1.4 Investments

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

1.5 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

The adoption of the standard requires a prior period adjustment to be made to recognise the liability which existed at the start of the financial year and which was not recognised under the old accounting policy. This has increased the deferred tax liability and reduced the retained profits by £3,376.

2 Operating profit	2002 £	2001 £
Operating profit is stated after charging:		
Depreciation of tangible assets	13,534	14,692
Auditors' remuneration	(400)	2,000
and after crediting:		
Profit on disposal of tangible assets	(2,488)	-

H ENGLAND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2002

3	Investment income	2002	2001
		£	£
	Income from participating interests	-	40,488
4	Interest payable	2002	2001
		£	£
	Bank interest payable	2,616	-
	Interest paid to pension fund	-	1,889
		2,616	1,889

H ENGLAND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2002

5	Taxation	2002 £	2001 £
	Domestic current year tax		
	U.K. corporation tax	12,649	11,413
	Adjustment for prior years	100	(2)
	Current tax charge	<u>12,749</u>	<u>11,411</u>
	Deferred tax		
	Deferred tax charge/credit current year	(58)	-
		<u>12,691</u>	<u>11,411</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>53,478</u>	<u>90,583</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2001 : 20.00%)	<u>10,696</u>	<u>18,117</u>
	Effects of:		
	Non deductible expenses	108	-
	Depreciation	2,707	2,937
	Capital allowances	(862)	(1,545)
	Adjustments to previous periods	100	-
	Dividends and distributions received	-	(8,098)
		<u>2,053</u>	<u>(6,706)</u>
	Current tax charge	<u>12,749</u>	<u>11,411</u>

The company has adopted FRS 19, *Deferred tax in the current year*. Accordingly, the tax charge for 2002 has restated to reflect the position had the company accounted for deferred tax on fully provided basis in that year. The full impact on reserves is detailed in note 12.

H ENGLAND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2002

6 Tangible fixed assets

	Land and buildings Heritable	Equipment	Total
	£	£	£
Cost			
At 1 March 2001	426,626	80,708	507,334
Additions	149	-	149
At 28 February 2002	426,775	80,708	507,483
Depreciation			
At 1 March 2001	56,259	51,291	107,550
Charge for the year	9,121	4,413	13,534
At 28 February 2002	65,380	55,704	121,084
Net book value			
At 28 February 2002	361,395	25,004	386,399
At 28 February 2001	370,367	29,417	399,784

H ENGLAND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2002

7 Fixed asset investments

	Unlisted investments	Shares in group undertakings and participating interests	Total
	£	£	£
Cost			
At 1 March 2001	5,000	421	5,421
Additions	-	1	1
At 28 February 2002	5,000	422	5,422
At 1 March 2001	-	-	-
On disposals	-	241	241
At 28 February 2002	5,000	181	5,181

Holdings of more than 20%

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

Company	Shares held Class	%
Subsidiary undertakings		
Bags of Information Limited	Ordinary	100
Highland Fayre Limited	Ordinary	100
Promotional Print Distributors Limited	Ordinary	80

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
Bags of Information Limited	1	-
Highland Fayre Limited	73,228	26,983
Promotional Print Distributors Limited	70,093	25,042

The company is exempt from preparing Group Accounts for any of its subsidiaries under S248 Companies Act 1985.

H ENGLAND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2002

8 Debtors	2002 £	2001 £
Trade debtors	530	530
Amounts owed by group undertakings and undertakings in which the company has a participating interest	68,309	96,026
Other debtors	35,982	19,235
	<u>104,821</u>	<u>115,791</u>

9 Creditors: amounts falling due within one year	2002 £	2001 £
Bank loans and overdrafts	43,786	18,961
Trade creditors	3,202	13,912
Amounts owed to group undertakings and undertakings in which the company has a participating interest	41,528	100,031
Taxation and social security	14,587	11,413
Other creditors	32,887	26,997
	<u>135,990</u>	<u>171,314</u>

The bank overdraft is secured by a floating charge over the assets of the company.

10 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 March 2001	3,376
Profit and loss account	(58)
Balance at 28 February 2002	<u>3,318</u>

Deferred taxation provided in the financial statements is as follows:

	2002 £	2001 £
Accelerated capital allowances	<u>3,318</u>	<u>-</u>

H ENGLAND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2002

11 Share capital	2002	2001
	£	£
Authorised		
24 Ordinary shares class 1 of £ 10 each	240.00	240.00
76 Ordinary shares class 2 of 1p each	.76	.76
	<u>240.76</u>	<u>240.76</u>
Allotted, called up and fully paid		
24 Ordinary shares class 1 of £ 10 each	240.00	240.00
76 Ordinary shares class 2 of 1p each	.76	.76
	<u>240.76</u>	<u>240.76</u>
12 Statement of movements on profit and loss account		Profit and loss account
		£
Balance at 1 March 2001 as previously reported		349,441
Prior year adjustment		(3,376)
Balance at 1 March 2001 as restated		<u>346,065</u>
Retained profit for the year		10,787
Balance at 28 February 2002		<u>356,852</u>
13 Reconciliation of movements in shareholders' funds	2002	2001
	£	£
Profit for the financial year	40,787	79,172
Dividends	(30,000)	-
Net addition to shareholders' funds	<u>10,787</u>	<u>79,172</u>
Opening shareholders' funds	346,306	270,510
Closing shareholders' funds	<u>357,093</u>	<u>349,682</u>

Opening shareholders' funds were originally £349,682 before deducting prior year adjustments of £3,376.

H ENGLAND (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2002

14 Related party transactions

The Company sold goods and services to the value of £42,876 to and bought goods and services to the value of £315 from Highland Fayre Limited, which is an 80% owned subsidiary of the group, on normal commercial terms. At the balance sheet date, the amount due by H. England (Holdings) Limited to Highland Fayre Limited was £11,468.

The company sold goods and services to the value of £45,752 to and bought goods and services to the value of £70 from Promotional Print Distributors Limited, which is an 80% owned subsidiary of the group, on normal commercial terms. At the balance sheet date, the amount due from Promotional Print Distributors Limited to H. England (Holdings) Limited was £40,409.

At the balance sheet date, Bachilton Farming Company, of which J H L England, a director, is a partner, owed H England (Holdings) Limited £33,681.