

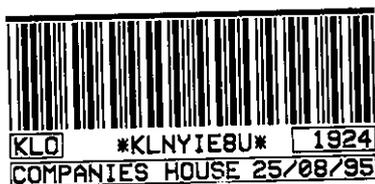
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HYLANDS D.I.Y. LIMITED

ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 28TH FEBRUARY 1995

COMPANY NO: 1273152

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AUDITORS' REPORT TO HYLANDS D.I.Y. LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 to 7, together with the financial statements of the company for the year ended 28th February 1995 prepared under section 226 of the Companies Act 1985 as modified by the exemptions provided by Part I of Schedule 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the director's statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 28th February 1995, and the abbreviated accounts on pages 3 to 7 have been properly prepared in accordance with that Schedule.

OTHER INFORMATION

Today we reported, as auditors of Hylands D.I.Y. Limited, to the shareholders on the financial statements for the year ended 28th February 1995, and our audit report under section 235 of the Companies Act 1985 was as follows:

"We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

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

Cont'd...

AUDITORS' REPORT TO HYLANDS D.I.Y. LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

...continued

BASIS OF OPINION (Cont'd)

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.

Fundamental Uncertainty : Amount due from Connected Undertaking

In forming our opinion, we have considered the adequacy of the disclosures made in note 7 to the accounts [note 3 to the abbreviated accounts] concerning the inherent uncertainty as to whether an amount of £197,385 due from a connected undertaking will be recovered in the foreseeable future. We consider that, in view of the connected undertaking's deficiency of assets at the date of its latest balance sheet, there is a significant level of concern as to whether the debt will be recovered in the foreseeable future. The financial statements include a provision of £100,000 for the loss that would arise from the connected undertaking's inability to repay part or all of the amount due. Our opinion is not qualified in this respect.

OPINION

In our opinion the financial statements give a true and fair of the state of the company's affairs as at 28th February 1995 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."



J. M. SHAH AND COMPANY

Chartered Accountants
and Registered Auditors

24 Old Bond Street
London
W1X 4JE

24TH AUGUST 1995

HYLANDS D.I.Y. LIMITED

ABBREVIATED BALANCE SHEET AS AT 28TH FEBRUARY 1995

	NOTES	1995	1994
		£	£
<u>EMPLOYMENT OF CAPITAL</u>			
FIXED ASSETS			
Tangible assets	(2)	36,839	44,679
CURRENT ASSETS			
Stocks		178,154	141,641
Debtors	(3)	332,827	254,478
Cash in hand		4,145	423
		-----	-----
		515,126	396,542
		-----	-----
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR			
Finance debt		114,138	107,892
Other creditors and accrued expenditure	(4)	314,137	211,806
		-----	-----
		428,275	319,698
		-----	-----
NET CURRENT ASSETS		86,851	76,844
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		123,690	121,523
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
	(5)	(57,723)	(58,889)
		-----	-----
		£65,967	£62,634
		-----	-----
<u>CAPITAL AND RESERVES</u>			
CALLED UP SHARE CAPITAL	(6)	10,000	10,000
PROFIT AND LOSS ACCOUNT		55,967	52,634
		-----	-----
SHAREHOLDERS' FUNDS	(12)	£65,967	£62,634
		-----	-----

The director has taken advantage of the exemptions conferred by Part III of Schedule 8 to the Companies Act 1985 on the grounds that the company is entitled to the benefit of those exemptions as a small company.

In the preparation of the company's full financial statements, the director has taken advantage of the exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the grounds that the company is entitled to the benefit of those exemptions as a small company.

Director..... *R. Penny*
 Robert Penny

Approved on..... *23rd August 1995*

HYLANDS D.I.Y. LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 28TH FEBRUARY 1995

1. ACCOUNTING POLICIES

a). BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

The principal accounting policies which the director has adopted within the convention are set out below.

b). TURNOVER

Turnover represents the amount receivable by the company for goods sold and hire services provided during the period and is stated net of value added tax and discounts allowed.

c). DEPRECIATION

Depreciation is provided at the following annual rates, calculated to reduce the book value of the assets concerned to estimated residual value over their useful working lives.

Motor vehicles	- 25%)
Furniture, fittings and equipment	- 15%) on reducing balance
Goods for hire	- 33 1/3%	on cost

d). STOCKS

Stocks are stated at the lower of cost and net realisable value.

e). DEFERRED TAXATION

Deferred taxation is accounted for under the liability method in respect of timing differences to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

f). LEASE AND HIRE PURCHASE CONTRACTS

Assets obtained under lease and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful working lives.

Leasing and hire purchase payments are treated as consisting of capital and finance charge elements and the finance charge is allocated to accounting periods during the term of the contract so as to produce a constant periodic rate of charge.

Rentals paid under operating leases are charged to income as incurred.

g). PENSION SCHEME

The company operates a defined contribution pension scheme for the benefit of its director. Contributions are charged to the profit and loss account as they become payable.

HYLANDS D.I.Y. LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 28TH FEBRUARY 1995

2. TANGIBLE FIXED ASSETS

	Total

	£
COST	
Balance at 01.03.1994	179,041
Additions	21,672
Disposals	(67,935)

Balance at 28.02.1995	£132,778
	=====
DEPRECIATION	
Balance at 01.03.1994	134,362
Charge for the year	13,933
Written off in respect of disposals	(52,356)

Balance at 28.02.1995	£95,939
	=====
NET BOOK VALUE at 28.02.1995	£36,839
	=====
NET BOOK VALUE at 28.02.1994	£44,679
	=====

3. DEBTORS

Included in debtors is an amount of £97,385 (1994 - £93,780) net of a provision for non-recoverability of £100,000 (1994 - £100,000) due from a connected undertaking which had a balance sheet deficit of £156,551 at 30th September 1994, being the date to which its most recent accounts were drawn up. Recovery of this debt is dependent upon that company being able to generate sufficient future profits, or being given additional financial support by its director, Mr R Penny. The director is of the opinion that the unprovided portion of the debt will ultimately be fully recovered and therefore that no further provision for non-recoverability is necessary.

HYLANDS D.I.Y. LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 28TH FEBRUARY 1995

4. CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR

The balance sheet total includes the following:-

	1995 £	1994 £
Finance debt		
Bank loan (see note 5)	7,914	8,124
Bank overdraft (see note 5)	106,224	99,768
	=====	=====
Other creditors and accrued expenditure		
	£	£
Net obligations under lease purchase contracts	£5,803	£3,922
	=====	=====

5. CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1995 £	1994 £
Bank loan not wholly repayable within five years:		
- repayable within 5 years	31,657	30,871
- repayable after more than 5 years	19,786	25,997
Net obligations under lease purchase contracts	6,280	2,021
	-----	-----
	£57,723	£58,889
	=====	=====

The bank loan is repayable by monthly instalments.

The bank loan and bank overdraft (see note 4) are secured on the assets of the company.

6. CALLED UP SHARE CAPITAL

	1995 £	1994 £
Authorised:		
100,000 ordinary shares of £1 each	£100,000	£100,000
	=====	=====
Issued and fully paid:		
10,000 ordinary shares of £1 each	£10,000	£10,000
	=====	=====

HYLANDS D.I.Y. LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 28TH FEBRUARY 1995

7. TRANSACTIONS INVOLVING DIRECTOR

During the year the following transactions took place with companies in which the director, Mr R Penny, has a material interest as a director and shareholder:

	<u>Hanna's House Limited</u>	<u>La Societe Francaise</u>	<u>De Ferrers Properties Limited</u>	<u>Pantherbest Limited</u>
	£	£	£	£
<u>Income</u>				
Management fees	-	-	20,000	20,000
Goods sold	2,478	266	116,763	56
<u>Expenditure</u>				
Rent paid	-	-	-	15,000
Goods purchased	2,257	-	-	-
	=====	=====	=====	=====

The above transactions were carried out on a normal trading basis.