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PEACE & QUIET LIMITED  
REPORT AND ACCOUNTS  
YEAR ENDED 31 JANUARY 1995



Registered number: 1577739

**PEACE & QUIET LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	Y. Anselm M. Anselm A. Anselm A.J.D. Corlett
<b>Secretary</b>	M. Anselm
<b>Company number</b>	1577739
<b>Registered office</b>	Unit 46, Milton Park Estate Abingdon, Oxon OX14 4RU
<b>Business address</b>	Unit 46, Milton Park Estate Abingdon, Oxon OX14 4RU
<b>Auditors</b>	H. W. Fisher & Company Acre House 11/15 William Road London NW1 3ER
<b>Bankers</b>	Barclays Bank plc 28 Hampstead High Street London NW3 1QB
<b>Solicitors</b>	Finers 179 Great Portland Street London W1N 6LS

PEACE & QUIET LIMITED

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# PEACE & QUIET LIMITED

## DIRECTORS REPORT

The directors present their report and accounts for the year ended 31 January 1995.

### PRINCIPAL ACTIVITIES

The principal activity of the group continues to be that of design, manufacture and retailing of fashion clothes and shoes. This is carried out by its subsidiaries, Hobbs Limited and Hobbs Too Limited. The group also wholesales these goods through another subsidiary, Hobbs (Wholesale) Limited. The holding company did not separately trade during the year. From 1 February 1995 all trading is now carried out through Hobbs Limited.

### RESULTS AND DIVIDENDS

The trading loss for the year after taxation and minority interests amounted to £315,214.

Preference dividends amounting to £25,274 have been paid in the year.

Interim ordinary dividends amounting to £12,637 have been paid in the year.

The dividends for the year and the loss for the financial year have been funded from retained profits brought forward. After crediting the realised revaluation reserve the reduction to retained profits amounted to £257,870.

### REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Both the level of business and the year end financial position were as expected in the light of current trading conditions and the directors anticipate a further increase in the level of activity in the forthcoming year.

### DIRECTORS AND THEIR INTERESTS

The directors at 31 January 1995 and their interests in the share capital of the company were:

	Ordinary shares	
	31 January 1995	1 February 1994
Y. Anselm	98,058	100,000
M. Anselm	101,942	100,000
A. J.D. Corlett (appointed 24 September 1994)	-	-

On 23 March 1995, A. Anselm was appointed a director.

### Issue of shares

As explained in note 20, the issued share capital of the company has been increased by £1,058,900.

### FIXED ASSETS

Details of movements in fixed assets during the year are set out in notes 13 and 14 to the accounts.

### AUDITORS

A resolution proposing the re-appointment of H. W. Fisher & Company as auditors will be put to the members at the next Annual General Meeting.

On behalf of the Board  
Y. Anselm  
Director

Dated: 13 March 1996

## PEACE & QUIET LIMITED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and the group, and of the profit or loss of the group for that period.

In preparing those accounts the directors are required to

- \* select suitable accounting policies and then apply them consistently;
- \* make judgements and estimates that are reasonable and prudent;
- \* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- \* prepare the accounts on a 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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS' REPORT**  
**TO THE SHAREHOLDERS OF**  
**PEACE & QUIET LIMITED**

We have audited the accounts on pages 4 to 24 which have been prepared under the historical cost convention as modified by the revaluation of certain land and buildings and the accounting policies set out on pages 9 and 10.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the group'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 accounts 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 the information in the accounts.

**OPINION**

In our opinion the accounts give a true and fair view of the state of the affairs of the company and the group as at 31 January 1995 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**H.W. FISHER & COMPANY**



Chartered Accountants  
Registered Auditor  
Acre House  
11/15 William Road  
London NW1 3ER

Dated: 13 March 1996

**PEACE & QUIET LIMITED**  
**GROUP PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 JANUARY 1995**

	Notes	1995 £	As restated 1994 £
<b>TURNOVER</b>	<b>2</b>	<b>15,388,708</b>	<b>12,388,539</b>
Cost of sales		(7,373,653)	(5,821,591)
<b>GROSS PROFIT</b>		<b>8,015,055</b>	<b>6,566,948</b>
Distribution costs		(5,441,961)	(4,181,008)
Administrative expenses		(2,369,102)	(1,948,136)
<b>OPERATING PROFIT</b>	<b>3</b>	<b>203,992</b>	<b>437,804</b>
Other income	6	54,351	59,895
Amounts written off investment properties	7	(175,000)	-
Interest payable and similar charges	8	(230,399)	(234,769)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>(147,056)</b>	<b>262,930</b>
Tax on profit on ordinary activities	9	(165,769)	(149,000)
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>(312,825)</b>	<b>113,930</b>
Minority Interest		(2,389)	(2,987)
<b>(LOSS)/PROFIT ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY</b>	<b>10</b>	<b>(315,214)</b>	<b>110,943</b>
Dividends	12	(37,911)	-
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(353,125)</b>	<b>110,943</b>
<b>STATEMENT OF RETAINED RESERVES</b>			
Retained profit brought forward			
As previously reported		1,543,100	1,269,799
Prior year adjustment	11	(830,612)	(762,578)
As restated		712,488	507,221
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(353,125)</b>	<b>110,943</b>
Transfers from revaluation reserve	23	95,255	94,324
<b>RETAINED PROFIT CARRIED FORWARD</b>		<b>454,618</b>	<b>712,488</b>

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

PEACE & QUIET LIMITED

NOTE OF HISTORICAL COST PROFITS AND LOSSES

YEAR ENDED 31 JANUARY 1995

	1995 £	As restated 1994 £
NOTE OF HISTORICAL COST PROFITS AND LOSSES		
Reported (loss)/profit on ordinary activities before taxation	(147,056)	262,930
Difference between depreciation charge on revalued amount and on the historical cost basis	95,255	94,324
	<hr/>	<hr/>
HISTORICAL COST (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(51,801)	357,254
	<hr/>	<hr/>
HISTORICAL COST RETAINED (LOSS)/ PROFIT FOR THE FINANCIAL YEAR	(257,870)	205,267
	<hr/>	<hr/>



PEACE & QUIET LIMITED


GROUP BALANCE SHEET  
AT 31 JANUARY 1995

	Notes	1995 £	As restated 1994 £
<b>FIXED ASSETS</b>			
Tangible assets	13	3,514,138	3,589,199
<b>CURRENT ASSETS</b>			
Stocks	16	2,642,653	1,982,760
Debtors	17	789,015	680,547
Cash at bank and in hand		295,937	19,948
		<u>3,727,605</u>	<u>2,683,255</u>
<b>CREDITORS - Amounts falling due within one year</b>	18	<u>(2,978,512)</u>	<u>(2,924,339)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>749,093</u>	<u>(241,084)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,263,231</u>	<u>3,348,115</u>
<b>CREDITORS - Amounts falling due after more than one year</b>	19	(1,228,406)	(1,387,751)
<b>PROVISION FOR LIABILITIES AND CHARGES</b>	20	<u>(349,000)</u>	<u>(361,070)</u>
		<u>2,685,825</u>	<u>1,599,294</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	1,258,900	200,000
Share premium account	22	387,251	-
Revaluation reserve	23	450,944	546,199
Capital reserve on consolidation		134,112	135,173
Profit and loss account		454,618	712,488
<b>SHAREHOLDERS' FUNDS</b>	27	<u>2,685,825</u>	<u>1,593,860</u>
Minority interest		-	5,434
		<u>2,685,825</u>	<u>1,599,294</u>

Y. Anselm

Director

Approved by the Board on: 13 March 1996



PEACE & QUIET LIMITED

BALANCE SHEET

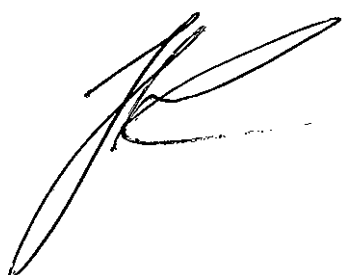
AT 31 JANUARY 1995

	Notes	1995 £	£	As restated 1994 £	£
<b>FIXED ASSETS</b>					
Tangible assets	14		232,401		270,119
Investments	15		9,381		497
			<u>241,782</u>		<u>270,616</u>
<b>CURRENT ASSETS</b>					
Debtors	17	1,574,254		60,420	
Cash at bank and in hand		233		233	
		<u>1,574,487</u>		<u>60,653</u>	
<b>CREDITORS - Amounts falling due within one year</b>	18	(14,873)		(395)	
<b>NET CURRENT ASSETS</b>			<u>1,559,614</u>		<u>60,258</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,801,396</u>		<u>330,874</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21	1,258,900		200,000	
Share premium account	22	387,251		-	
Revaluation reserve	23	223,828		259,932	
Profit and loss account		(68,583)		(129,058)	
<b>SHAREHOLDERS' FUNDS</b>	27	<u>1,801,396</u>		<u>330,874</u>	

Y. Anselm

Director

Approved by the board on: 13 March 1996



PEACE & QUIET LIMITED  
GROUP CASH FLOW STATEMENT  
YEAR ENDED 31 JANUARY 1995

	Notes	1995 £	1994 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	28	29,402	886,104
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		679	3,056
Rent received		38,552	41,709
Interest paid		(226,232)	(231,225)
Interest element of finance lease rentals		(4,167)	(3,544)
Dividends paid		(37,911)	-
Net cash outflow from returns on investments and servicing of finance		(229,079)	(190,004)
CORPORATION TAX		(47,581)	(138,661)
INVESTING ACTIVITIES			
Payments for tangible fixed assets		(669,684)	(650,188)
Receipts from sales of tangible assets		10,000	10,900
Reverse premium received		-	90,000
Net cash outflow from investing activities		(659,684)	(549,288)
Net cash (outflow)/inflow before financing		(906,942)	8,151
FINANCING	29		
Issue of ordinary share capital		1,500,000	-
Cost of share issue		(57,733)	-
New loan		49,995	110,304
Repayment of director's loan		-	(325,000)
Repayment of bank loan		(187,050)	(146,926)
Capital element of hire purchase and finance lease contracts		(17,626)	(15,400)
Net cash inflow/(outflow) from financing		1,287,586	(377,022)
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	30	380,644	(368,871)

PEACE & QUIET LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

1. ACCOUNTING POLICIES

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain land and buildings.

The accounts have been prepared in accordance with applicable accounting standards.

1.2 Accounting reference date

The accounting reference date is 30 January. The company annually prepares its accounts to 31 January. These accounts have been made up to 28 January 1995, the nearest Saturday. Comparative figures cover either the year ended 31 January 1994 or the position at that date.

1.3 Basis of consolidation

The group accounts consolidate the accounts of Peace & Quiet Limited and its subsidiaries, made up to 31 January 1995.

No profit and loss account is presented for Peace & Quiet Limited as provided by Section 230 of the Companies Act 1985.

Goodwill arising on consolidation is written off immediately to reserves.

1.4 Tangible fixed assets

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

	% per annum	Method
Freehold land	nil	
Freehold property	2	Straight line
Fixtures, fittings & equipment	10/15	Straight line
Motor cars	25	Straight line

Leasehold property is depreciated over the primary lease period. This represents a change of accounting policy in 1995 - see note 11 for further explanation.

The part of the annual depreciation charge on revalued assets which is realised is released to the profit and loss account.

Investment properties are revalued annually by the directors and the aggregate surplus or deficit is transferred to the revaluation reserve. Permanent diminutions in property, not covered by prior reserves on these assets, are written off directly against the profit and loss account. No depreciation is provided. The directors consider that this accounting policy results in the accounts giving a true and fair view. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be identified or quantified.

PEACE & QUIET LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

1. ACCOUNTING POLICIES (continued)

1.5 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

1.6 Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are treated as if they had been purchased outright at the present value of the outstanding rentals payable, less finance charges, over the primary period of the leases. The corresponding obligations under these leases are shown as creditors. The finance charge element of rentals payable is charged to the profit and loss account so as to produce a constant rate of charge on the outstanding balance in each period.

Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the leases.

1.7 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.

1.8 Foreign currency translation

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

Monetary assets and liabilities denominated in foreign currencies are retranslated to sterling at rates of exchange ruling at the balance sheet date. All exchange differences are dealt with in the profit and loss account.

2. TURNOVER

Turnover represents the invoiced value of goods sold and services provided excluding VAT.

An analysis of turnover by geographical market is shown below:

	1995 £	1994 £
Geographical market		
United Kingdom	15,049,255	12,234,622
Rest of Europe	339,453	-
North America	-	149,117
Asia	-	4,800
	<u>15,388,708</u>	<u>12,388,539</u>

PEACE & QUIET LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

3.	OPERATING PROFIT	1995 £	Restated 1994 £
	Operating profit is stated after charging:		
	Exceptional write off of debtor	83,000	-
	Depreciation of owned tangible fixed assets	527,858	452,736
	Depreciation of tangible fixed assets held under finance leases and hire purchase contracts	13,220	13,220
	Loss on disposal of tangible fixed assets	18,666	1,495
	Operating lease rentals		
	- Plant and machinery	31,441	27,376
	- Other assets	1,553,049	1,469,995
	Auditors' remuneration	22,500	20,250
		<u>          </u>	<u>          </u>

4.	DIRECTORS EMOLUMENTS	1995 £	1994 £
	Remuneration for management services	182,965	110,000
	Directors' emoluments include :		
	The chairman and highest paid director	92,672	55,000
	The other directors fall within the following ranges:		
		Number	Number
	£ Nil - £5,000	1	-
	£50,001 - £55,000	-	1
	£90,001 - £95,000	1	-
		<u>      </u>	<u>      </u>

5.	EMPLOYEE INFORMATION	1995 £	1994 £
	Staff costs were as follows:		
	Wages and salaries	2,777,318	2,067,097
	Social security costs	212,294	176,336
		<u>          </u>	<u>          </u>
		2,989,612	2,243,433
		<u>          </u>	<u>          </u>
	The average number of persons employed by the company during the year was:		
		Number	Number
	Administration	65	56
	Distribution	237	174
		<u>      </u>	<u>      </u>
		302	230
		<u>      </u>	<u>      </u>

PEACE & QUIET LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

6.	OTHER INCOME	1995 £	1994 £
	Rent receivable	38,552	41,709
	Bank interest receivable	679	3,056
	Release of reverse premium received	15,120	15,130
		<u>54,351</u>	<u>59,895</u>
7.	AMOUNTS WRITTEN OFF INVESTMENTS	1995 £	1994 £
	Amounts written off freehold investment properties - permanent diminution in value	175,000	-
8.	INTEREST PAYABLE AND SIMILAR CHARGES	1995 £	1994 £
	Interest payable on:		
	Bank overdrafts and loans		
	repayable within five years	86,123	59,664
	Loans repayable after five years	111,710	118,104
	Other loans	28,399	53,457
	Finance lease and hire purchase contracts	4,167	3,544
		<u>230,399</u>	<u>234,769</u>
9.	TAX ON PROFIT ON ORDINARY ACTIVITIES	1995 £	1994 £
	U.K. corporation tax at 33% (1994 - 33%)	104,689	99,000
	Deferred tax	3,050	50,000
	Underprovision of tax in earlier years	58,030	-
		<u>165,769</u>	<u>149,000</u>
10.	(LOSS)/PROFIT ATTRIBUTABLE TO MEMBERS OF THE HOLDING COMPANY	1995 £	Restated 1994 £
	Holding Company	62,282	(27,718)
	Subsidiaries	(377,496)	138,661
		<u>(315,214)</u>	<u>110,943</u>

PEACE & QUIET LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

11. PRIOR YEAR ADJUSTMENTS

The prior year adjustment has been made as a result of a change in accounting policy with respect to the amortisation of leasehold properties. Previously where leases were considered renewable over a second term, the policy was to amortise the lease over the extended number of years, being the deemed full life of the asset. No residual values are now applied to short leaseholds. It is now considered by the directors that a more true and fair treatment is to amortise each short lease solely over the period of the primary lease term.

Consequently the revaluation reserve has also been restated for the cumulative effect on the annual transfers to the profit and loss account, relating to those leasehold properties carried at valuation in the accounts.

An amortisation charge of £207,550 has been put through to the profit and loss account for the year ended 31 January 1995 in respect of leasehold properties. The corresponding amortisation charge under the old policy would have been £121,191.

12. DIVIDENDS

	1995	1994
	£	£
Preference: interim paid	25,274	-
Ordinary: interim paid	12,637	-
	<hr/>	<hr/>
	37,911	-
	<hr/>	<hr/>



PEACE & QUIET LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

13. TANGIBLE FIXED ASSETS - GROUP

	Freehold Investment properties £	Short leasehold properties £	Fixtures, fittings, and equipment £	Motor vehicles £	Total £
<b>COST OR VALUATION</b>					
At 1 February 1994	904,401	3,220,018	2,602,699	93,171	6,820,289
Additions	-	-	669,684	-	669,684
Disposals	-	-	(7,533)	(21,954)	(29,487)
Revaluation	(183,000)	-	-	-	(183,000)
<b>At 31 January 1995</b>	<b>721,401</b>	<b>3,220,018</b>	<b>3,264,850</b>	<b>71,217</b>	<b>7,277,486</b>

**DEPRECIATION**

As restated	-	1,946,638	1,241,363	43,089	3,231,090
Charge for the year	8,000	207,550	320,966	4,562	541,078
Disposals	-	-	(820)	-	(820)
Revaluation	(8,000)	-	-	-	(8,000)
<b>At 31 January 1995</b>	<b>-</b>	<b>2,154,188</b>	<b>1,561,509</b>	<b>47,651</b>	<b>3,763,348</b>

**NET BOOK VALUE**

<b>At 31 January 1995</b>	<b>721,401</b>	<b>1,065,830</b>	<b>1,703,341</b>	<b>23,566</b>	<b>3,514,138</b>
<b>At 31 January 1994</b>	<b>904,401</b>	<b>1,273,380</b>	<b>1,361,336</b>	<b>50,082</b>	<b>3,589,199</b>

The net book value of tangible fixed assets includes an amount of £61,694 (1994:£74,914) in respect of assets held under finance leases and hire purchase contracts.

The short leaseholds comprise :

	<b>Group</b>		<b>Company</b>	
	1995 £	1994 £	1995 £	1994 £
Valuation on open market basis - 1988	2,865,000	2,865,000	935,000	935,000
Additions post 1988	355,018	355,018	24,447	24,447
	<b>3,220,018</b>	<b>3,220,018</b>	<b>959,447</b>	<b>959,447</b>

In the opinion of the directors, the net book value of the freehold and leasehold properties, for both the group and the company, fairly reflect their market value as at 31 January 1995.

PEACE & QUIET LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

13. TANGIBLE FIXED ASSETS - GROUP: continued

If stated under historical cost principles the comparable amounts for the short leaseholds would be:

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
Cost	1,859,223	1,859,223	137,100	137,100
Accumulated depreciation	(1,240,358)	(1,128,063)	(128,527)	(126,913)
Historical cost value	<u>618,865</u>	<u>731,160</u>	<u>8,573</u>	<u>10,187</u>

All other tangible fixed assets are stated at historical cost.

14. TANGIBLE FIXED ASSETS - COMPANY

	Short Leasehold Properties £
Cost or valuation	
1 February 1994 and	
31 January 1995	<u>959,447</u>
Depreciation	
1 February 1994	689,328
Charge for year	37,718
31 January 1995	<u>727,046</u>
Net book values	
31 January 1995	<u>232,401</u>
31 January 1994	<u>270,119</u>

PEACE & QUIET LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

15. FIXED ASSET INVESTMENTS

INVESTMENT IN SUBSIDIARIES

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
<b>COST</b>				
1 February 1994	-	151	497	453
Additions	-	-	8,884	44
Included in consolidation	-	(151)	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
31 January 1995	<u>-</u>	<u>-</u>	<u>9,381</u>	<u>497</u>

Details of the investments in which the company holds more than 10% of the nominal value of any class of share capital, all of which are incorporated in England, are as follows:

<u>Name</u>	<u>Type of shares</u>	<u>Proportion</u>	<u>Nature of business</u>
<b>Subsidiary undertakings:</b>			
Hobbs Limited	Ordinary	100% )	Design, manufacture, and retail of fashion clothes and shoes.
Hobbs Too Limited	Ordinary	100% )	
Hobbs (Wholesale) Limited	Ordinary	100%	Wholesale of fashion clothes and shoes.
Hobbs (Tunbridge Wells) Limited	Ordinary	100% )	Dormant
Hobbs Finance Limited	Ordinary	100% )	Dormant

On 31 January 1995, the trade, assets and liabilities of Hobbs Too Limited and Hobbs (Wholesale) Limited were transferred to Hobbs Limited.

16. STOCKS

	Group	
	1995	1994
	£	£
Raw materials and consumables	730,439	505,704
Finished goods and goods for resale	1,912,214	1,477,056
	<u>2,642,653</u>	<u>1,982,760</u>

PEACE & QUIET LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
<b>17. DEBTORS</b>				
Amounts falling due within one year:				
Trade debtors	248,146	91,325	-	-
Amounts owed by subsidiary undertakings	-	-	1,574,254	60,420
Other debtors	183,898	271,396	-	-
Prepayments and accrued income	356,971	317,826	-	-
	<u>789,015</u>	<u>680,547</u>	<u>1,574,254</u>	<u>60,420</u>

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
<b>18. CREDITORS</b>				
- AMOUNTS FALLING DUE WITHIN ONE YEAR				
Current portion of bank loans	139,382	113,133	-	-
Other loans	6,000	27,585	-	-
Bank overdrafts	963,259	1,067,914	-	-
Obligations under hire purchase contracts	17,627	17,627	-	-
Amounts owed to subsidiary undertakings	-	-	395	395
Trade creditors	657,376	664,955	-	-
Current corporation tax	227,171	121,511	-	-
Other taxes and social security costs	477,896	479,226	-	-
Directors' current account	5,386	258	-	-
Accruals and deferred income	197,027	249,642	-	-
Other creditors	277,907	182,488	5,000	-
Advanced corporation tax	9,478	-	9,478	-
	<u>2,978,512</u>	<u>2,924,339</u>	<u>14,873</u>	<u>395</u>

The bank loans and overdrafts are secured on the freehold and leasehold premises which are owned by both the company and its subsidiaries. The leasehold premises are used as retail outlets by the trading subsidiaries.

PEACE & QUIET LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

	Group	
	1995	1994
	£	£
<b>19. CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>		
Bank loans	1,178,213	1,241,588
Obligations under hire purchase contracts	38,193	55,819
Other loans	12,000	90,344
	<u>1,228,406</u>	<u>1,387,751</u>
	£	£
<b>BANK LOANS</b>		
Repayable :		
Other than by instalments		
Within five years	500,000	-
Repayable by instalments:		
Due within five years	617,595	554,721
Due in more than five years	200,000	800,000
	<u>1,317,595</u>	<u>1,354,721</u>
Less: Amounts due within one year	(139,382)	(113,133)
	<u>1,178,213</u>	<u>1,241,588</u>

The bank loans which are secured on the freehold and leasehold premises owned by the group, bear interest at variable rates above base or LIBOR.

The other loans are unsecured and bear interest at various rates.

**OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS**

The net obligation under finance leases and hire purchase contracts is repayable as follows:

	£	£
Between two and five years	38,193	55,819
In one year or less	17,627	17,627
	<u>55,820</u>	<u>73,446</u>

PEACE & QUIET LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

20. PROVISIONS FOR LIABILITIES AND CHARGES

	Group		Company	
	1995	1994	1995	1994
	£	£	£	£
Deferred tax	159,250	156,200	-	-
Reverse premium	189,750	204,870	-	-
	<u>349,000</u>	<u>361,070</u>	<u>-</u>	<u>-</u>
Deferred taxation:				
PROVIDED				
Accelerated capital allowances	159,250	157,600	-	-
Short term timing differences	-	(1,400)	-	-
	<u>159,250</u>	<u>156,200</u>	<u>-</u>	<u>-</u>
FULL POTENTIAL LIABILITY				
Accelerated capital allowances	161,150	159,500	1,900	1,900
Short term timing differences	-	(1,400)	-	-
	<u>161,150</u>	<u>158,100</u>	<u>1,900</u>	<u>1,900</u>

Deferred tax has been calculated at 33%.

PEACE & QUIET LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

21. SHARE CAPITAL	1995 £	1994 £
<b>Authorised</b>		
203,884 of ordinary shares £1 each	203,884	250,000
55,016 'A' ordinary shares of £1 each	55,016	-
1,000,000 preference shares of £1 each	1,000,000	-
	<u>1,258,900</u>	<u>250,000</u>
<b>Allotted, called up and fully paid</b>		
203,884 of ordinary shares £1 each	203,884	200,000
55,016 'A' ordinary shares of £1 each	55,016	-
1,000,000 preference shares of £1 each	1,000,000	-
	<u>1,258,900</u>	<u>200,000</u>

During the year, 1,000,000 preference shares of £1 each and 55,016 'A' ordinary shares of £1 each were issued to 3i Group plc for a consideration of £1,500,000 in order to increase the working capital of the group.

A further 3,884 ordinary shares of £1 each were issued to the minority shareholder of one of the group's subsidiary companies in exchange for his shares in that subsidiary.

Preference shares are entitled to dividends of 7.5p per annum per share, payable half yearly on 30 June and 31 December. 125,000 shares are redeemable at par every six months from 30 June 1997 to 31 December 2000, or earlier at the company's option. The shares do not carry the right to attend or vote at a general meeting of the company. On winding up, the shares carry the right to repayment of capital and the amount of any dividends in arrears; this right is in preference to the rights of the 'A' ordinary and ordinary shareholders.

'A' ordinary shares are entitled to an annual fixed dividend of 68.16p per share accruing from the date of subscription and payable half yearly on 30 June and 31 December, and a cumulative participating dividend which, together with the fixed dividend, equals 7.5% of the net profit for the year. On winding up, the shares carry the right to repayment of capital and the amount of any dividend in arrears; this right is in preference to the rights of the ordinary shareholders. Any surplus on winding up is payable to 'A' ordinary and ordinary shareholders as if they were all shares of the same class.

PEACE & QUIET LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

22. SHARE PREMIUM ACCOUNT	Group 1995 £
At 1 February 1994	-
Premium arising from the issue of shares	444,984
Costs of raising finance	(57,733)
	<hr/>
At 31 January 1995	<u>387,251</u>

	Group		Company	
	1995 £	1994 £	1995 £	1994 £
23. REVALUATION RESERVE				
At 1 February 1994				
as previously stated	681,534	760,400	387,156	428,218
Prior year adjustment (see note 11)	(135,335)	(119,877)	(127,224)	(132,182)
	<hr/>	<hr/>	<hr/>	<hr/>
As restated	546,199	640,523	259,932	296,036
Transfer to profit and loss account	(95,255)	(94,324)	(36,104)	(36,104)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 1995	<u>450,944</u>	<u>546,199</u>	<u>223,828</u>	<u>259,932</u>

The revaluation reserve relates to a surplus on revaluation of short leasehold properties.

	Group	
	1995 £	1994 £
24. CAPITAL COMMITMENTS		
Approved by the directors but not yet contracted for	-	200,000
	<hr/>	<hr/>
	-	200,000
	<hr/>	<hr/>



# PEACE & QUIET LIMITED

## NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

### 25. COMMITMENTS UNDER OPERATING LEASES

At 31 January 1995 the group had annual commitments under non-cancellable operating leases as set out below:-

	Group	
	1995	1994
	£	£
<b>Land and Buildings:</b>		
Expiring in less than one year	256,000	287,000
Expiring between two and five years	300,000	161,000
Expiring in five years or more	975,600	966,800
	<u>1,531,600</u>	<u>1,414,800</u>

The company's leases of land and buildings are subject to periodic rent reviews.

	1995	1994
	£	£
<b>Other:</b>		
Expiring between two and five years	<u>27,022</u>	<u>25,830</u>

### 26. DIRECTORS' INTEREST IN CONTRACTS

The group rents property in the ordinary course of business on an arms' length basis from Mr.Y.Anselm.

During the year loans were made available to Mr.Y.Anselm. The maximum indebtedness during the year was £22,910. The account stood at £5,386 credit at the year end.

Other creditors include three loans totalling £130,000 granted to the group by the Hobbs Directors' Pension Scheme. All the loans are repayable on demand, but not later than March 2000 and for one loan totalling £50,000 and for the remainder no later than the date at which the first of the current members reaches normal pension age. Mr.Y.Anselm and Mrs.M.Anselm are trustees and beneficiaries of this pension scheme.

Included within other debtors is a loan of £144,000 (1994: £144,000) to a company in which Mr.Y. Anselm has a beneficial interest.

PEACE & QUIET LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

27. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group		Company	
	1995 £	1994 £	1995 £	1994 £
Profit/(loss) for the financial year	(315,214)	110,943	62,282	(27,718)
Dividends	(37,911)	-	(37,911)	-
	(353,125)	110,943	24,371	(27,718)
New share capital subscribed	1,446,151	-	1,446,151	-
Net goodwill written off to Capital reserve	(1,061)	-	-	-
Minority interest	(5,434)	-	-	-
	1,086,531	110,943	1,470,522	(27,718)
Opening shareholders' funds as previously reported	2,565,241	2,365,372	592,228	625,918
Prior year adjustment	(965,947)	(882,455)	(261,354)	(267,326)
Closing shareholders' funds	2,685,825	1,593,860	1,801,396	330,874

TOTAL EQUITY AND NON-EQUITY SHAREHOLDERS' FUNDS

	Group		Company	
	1995 £	1994 £	1995 £	1994 £
Attributable to equity interests	1,685,825	1,593,859	801,396	330,874
Attributable to non-equity interests	1,000,000	-	1,000,000	-
	2,685,825	1,593,859	1,801,396	330,874

PEACE & QUIET LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JANUARY 1995

28. NET CASH INFLOW FROM OPERATING ACTIVITIES	1995 £	1994 £
Reconciliation to operating profit:		
Operating profit	203,992	437,804
Depreciation of tangible assets	541,078	465,956
Loss on disposal of tangible assets	18,666	1,495
Movements in:		
Stocks	(659,893)	(324,275)
Debtors	(108,468)	(64,121)
Creditors	34,027	369,245
Net cash inflow from operating activities	<u>29,402</u>	<u>886,104</u>

29. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR	Share capital (including premium) £	Loans and finance lease obligations £
1 February 1993	200,000	1,834,984
Cash outflow from financing	-	(377,022)
Inception of finance lease contracts	-	88,134
At 31 January 1994	<u>200,000</u>	<u>1,546,096</u>
Share for share exchange	3,884	-
Cash outflow from financing	-	(154,681)
New share capital subscribed	1,500,000	-
Costs of new issue	(57,733)	-
At 31 January 1995	<u>1,646,151</u>	<u>1,391,415</u>

30. INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS

Analysis of the balances and movements in cash and cash equivalents.

	Balances as included in balance sheet		Change in year	
	1995 £	1994 £	1995 £	1994 £
Cash at bank and in hand	295,937	19,948	275,989	(76,886)
Bank overdrafts	(963,259)	(1,067,914)	104,655	(291,985)
	<u>(667,322)</u>	<u>(1,047,966)</u>	<u>380,644</u>	<u>(368,871)</u>