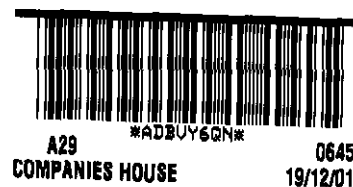


# Howland-West Limited

---

**Report and Financial Statements**  
**28 February 2001**



Company No. 823931

**Report and Financial Statements 2001**

<b>Contents</b>	<b>Page</b>
Officers and professional advisers	2
Directors' report	3
Statement of directors' responsibilities	4
Auditors' report	5
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

JR Moore  
RW Martin FCA  
MA Stanyard ACA ATII  
DW Hartburn

**SECRETARY**

C Reilly

**REGISTERED OFFICE**

Mitre House  
North Park Road  
Harrogate  
North Yorkshire  
HG1 5RX

**BANKERS**

Barclays Bank PLC  
Minerva House  
29 East Parade  
Leeds  
LS1 5TN

**SOLICITORS**

Irwin Mitchell  
21 Queen Street  
Leeds  
LS1 2TW

**AUDITORS**

PricewaterhouseCoopers  
Benson House  
33 Wellington Street  
Leeds  
LS1 4JP

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 28 February 2001.

## ACTIVITIES

The principal activity of the company is the wholesale and distribution of professional audio and visual equipment.

## REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The directors consider the performance and the year-end financial position of the business to be satisfactory and they remain confident about its future prospects.

## RESULTS AND DIVIDENDS

The results of the company for the year ended 28 February 2001 are set out in the financial statements on pages 6 to 14.

During the year interim dividends of £485,647 (2000: £708,251) were paid. The directors recommend that a final dividend of £80,017 (2000: £120,956) be paid and that the retained profit of £116,804 be transferred to reserves (2000: retained deficit of £326,236 appropriated from reserves).

## DIRECTORS AND THEIR INTERESTS

The directors who served during the year were:

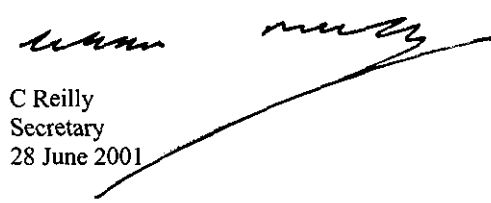
JR Moore	(Appointed 18 August 2000)
RW Martin FCA	(Appointed 18 August 2000)
MA Stanyard ACA ATII	(Appointed 18 August 2000)
DW Hartburn	
N W Pullan	(Resigned 26 July 2000)
J Ruppini	(Resigned 31 December 2000)

No director had any interest in the shares of the company either at 1 March 2000 (or on appointment) or at 28 February 2001. The interests of directors in the shares of the immediate parent company, Wilton Investments Limited, are disclosed in the accounts of that company.

## AUDITORS

PricewaterhouseCoopers have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board

  
C Reilly  
Secretary  
28 June 2001


**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial period 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;
- Comply with applicable accounting standards subject to any material departures disclosed and explained in the financial statements;
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the Board

  
C Reilly  
Secretary  
28 June 2001

**AUDITORS' REPORT TO THE MEMBERS OF HOWLAND-WEST LIMITED**

We have audited the financial statements on pages 6 to 14.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 4, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

**Basis of audit 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.

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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers  
Chartered Accountants and Registered Auditors  
Leeds  
28 June 2001

HOWLAND-WEST LIMITED

**PROFIT AND LOSS ACCOUNT**  
Year Ended 28 February 2001

	Note	Year Ended 28 February 2001 £	Nine Months Ended 29 February 2000 £
<b>TURNOVER – continuing operations</b>	<b>2</b>	7,460,377	5,244,881
Cost of sales		<u>(4,858,623)</u>	<u>(3,254,287)</u>
Gross profit		2,601,754	1,990,594
Selling and distribution costs		(1,020,267)	(811,746)
Administrative expenses		<u>(581,612)</u>	<u>(445,651)</u>
<b>OPERATING PROFIT-continuing operations</b>	<b>3</b>	999,875	733,197
Interest payable	<b>5</b>	(9,443)	(1,004)
Interest receivable		<u>6,490</u>	<u>5,778</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		996,922	737,971
Tax on profit on ordinary activities	<b>6</b>	<u>(314,842)</u>	<u>(235,000)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		682,080	502,971
Dividends	<b>7</b>	<u>(545,664)</u>	<u>(829,207)</u>
<b>RETAINED PROFIT/(LOSS) FOR THE FINANCIAL PERIOD</b>	<b>14,15</b>	<u><u>136,416</u></u>	<u><u>(326,236)</u></u>

The company has no recognised gains or losses, in either the current or preceding period, other than those shown in the profit and loss account above.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the period and their historical cost equivalents.

HOWLAND-WEST LIMITED

**BALANCE SHEET**  
**28 February 2001**

	Note	2001 £	2000 £
<b>FIXED ASSETS</b>			
Tangible assets	8	<u>692,720</u>	<u>698,908</u>
<b>CURRENT ASSETS</b>			
Stock	9	943,978	885,551
Debtors	10	1,160,556	1,096,466
Cash at bank and in hand		<u>182,210</u>	<u>118,055</u>
		2,286,744	2,100,072
<b>CREDITORS: amounts falling due within one year</b>	11	<u>(1,080,791)</u>	<u>(1,036,723)</u>
<b>NET CURRENT ASSETS</b>		1,205,953	1,063,349
<b>NET ASSETS</b>		<u>1,898,673</u>	<u>1,762,257</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	15,500	15,500
Profit and loss account	14	<u>1,883,173</u>	<u>1,746,757</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	15	<u>1,898,673</u>	<u>1,762,257</u>

These financial statements were approved by the Board of Directors on 28 June 2001.

Signed on behalf of the Board of Directors



M A Stanyard  
Director



D W Hartburn  
Director



**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended 28 February 2001**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted by the directors are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Turnover**

Turnover represents amounts invoiced, excluding value added tax, in respect of the sale of goods to customers.

**Tangible Fixed Assets**

Depreciation is provided on cost on a straight line basis over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold land and buildings	2.0% per annum
Plant and equipment	10.0% per annum
Office equipment, fixtures and fittings	10.0% per annum
Computer equipment	33.0% per annum
Motor vehicles	25.0% per annum

**Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is calculated using the first-in-first-out method and consists of direct material cost together with as appropriate, associated purchase costs such as carriage inwards, freight and duty. Net realisable value represents estimated selling price less distribution costs to bring the goods to the point of sale.

**Deferred Taxation**

Deferred tax is provided in respect of all timing differences, to the extent that it is probable that a liability will crystallise in the foreseeable future, at the rates of tax expected to apply when the timing differences reverse.

**Leases**

Operating lease rentals are charged to profit and loss in equal annual instalments over the term of the lease.

**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. Contributions are accounted for as incurred.

The company provides no other post retirement benefits to its employees.

**Foreign Currencies**

Assets, liabilities, revenues and costs expressed in foreign currencies are translated into sterling at the rates of exchange ruling on the date on which the transaction occurs. Differences arising on the translation of such items are dealt with in the profit and loss account.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended 28 February 2001**

**HOWLAND-WEST LIMITED**

**1. ACCOUNTING POLICIES (cont'd)**

**Cash Flow Statement**

The company has taken advantage of the exemption, conferred by FRS1 "Cash flow statements," to prepare a cash flow statement, as it is a wholly owned subsidiary of an EC parent which publishes, in English, consolidated financial statements which include a consolidated cash flow statement.

**2. SEGMENTAL INFORMATION**

Turnover, profit before taxation and net assets are all attributable to the principal activity of the company. The geographical split of turnover is as follows:

	Year Ended 28 February 2001 £	Nine Months Ended 29 February 2000 £
United Kingdom	7,192,834	5,078,526
Europe and the Rest of the World	267,543	166,355
	<u>7,460,377</u>	<u>5,244,881</u>

**3. OPERATING PROFIT**

	Year Ended 28 February 2001 £	Nine Months Ended 29 February 2000 £
<b>Operating profit is stated after charging:</b>		
Depreciation and other amounts written off tangible fixed assets: owned assets	83,494	66,037
Auditors' remuneration - audit fee	9,250	9,000
- other services	750	1,500
	<u>94,494</u>	<u>76,537</u>
<b>and after crediting:</b>		
Profit on the sale of fixed assets	<u>14,463</u>	<u>5,184</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended 29 February 2000**

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	<b>Year Ended 28 February 2001</b>	<b>Nine Months Ended 29 February 2000</b>
	<b>£</b>	<b>£</b>
<b>Directors' emoluments</b>		
Emoluments for management and services as a director	79,696	86,247
Contributions to money purchase pension schemes	5,500	3,750
	<u>85,196</u>	<u>89,997</u>

	<b>Year Ended 28 February 2001</b>	<b>Nine Months Ended 29 February 2000</b>
	<b>No</b>	<b>No</b>
<b>Number of directors to whom benefits are accruing under money purchase pension schemes</b>	<u>1</u>	<u>1</u>

**Employees**

**Average number of persons, including executive directors, employed by the company during the year:**

Selling and Distribution	18	18
Office and Administration	7	8
Service and Repair	2	2
	<u>27</u>	<u>28</u>

	<b>Year Ended 28 February 2001</b>	<b>Nine Months Ended 29 February 2000</b>
	<b>£</b>	<b>£</b>
<b>Staff costs incurred during the year in respect of these persons were:</b>		
Wages and salaries	749,355	564,099
Social security costs	85,712	61,727
Other pension costs	27,611	19,124
	<u>862,678</u>	<u>644,950</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended 28 February 2001**

**HOWLAND-WEST LIMITED**

**5. INTEREST PAYABLE**

	Year Ended 28 February 2001	Nine Months Ended 29 February 2000
	£	£
Group loans	8,980	1,004
Other loans	463	-
	<u>9,443</u>	<u>1,004</u>

**6. TAXATION**

	Year Ended 28 February 2001	Nine Months Ended 29 February 2000
	£	£
Corporation tax at 30% (2000:30%) based on the profit for the period	316,000	235,000
Adjustment in respect of prior period	(1,158)	-
	<u>314,842</u>	<u>235,000</u>

**7. DIVIDENDS**

	Year Ended 28 February 2001	Nine Months Ended 29 February 2000
	£	£
Interim dividends paid £30.04 per share (2000: £45.69)	465,647	708,251
Final dividend proposed £5.16 per share (2000: £7.80)	80,017	120,956
	<u>545,664</u>	<u>829,207</u>

**8. TANGIBLE FIXED ASSETS**

	Freehold Land and Buildings	Plant and Equipment	Office Equipment Fixtures Fittings & Computer Equipment	Motor Vehicles & Commercial Vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 March 2000	542,379	36,068	282,962	171,002	1,032,411
Additions	-	-	20,859	60,139	80,998
Disposals	-	-	-	(56,996)	(56,996)
At 28 February 2001	<u>542,379</u>	<u>36,068</u>	<u>303,821</u>	<u>174,145</u>	<u>1,056,413</u>
<b>Accumulated Depreciation</b>					
At 1 March 2000	8,136	23,276	200,963	101,128	333,503
Charge for the year	10,844	2,436	31,893	38,321	83,494
Disposals	-	-	-	(53,304)	(53,304)
At 28 February 2001	<u>18,980</u>	<u>25,712</u>	<u>232,856</u>	<u>86,145</u>	<u>363,693</u>
<b>Net Book Value</b>					
At 28 February 2001	<u>523,399</u>	<u>10,356</u>	<u>70,965</u>	<u>88,000</u>	<u>692,720</u>
At 29 February 2000	<u>534,243</u>	<u>12,792</u>	<u>81,999</u>	<u>69,874</u>	<u>698,908</u>

HOWLAND-WEST LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
Year Ended 28 February 2001

9. STOCKS

	2001 £	2000 £
Goods for resale and spares	<u>943,978</u>	<u>885,551</u>

10. DEBTORS

	2001 £	2000 £
<b>Amounts falling due within one year</b>		
Trade debtors	1,016,532	907,074
Amounts owed by parent company	-	80,373
Prepayments and accrued income	106,814	25,331
Other debtors	37,210	83,688
	<u>1,160,556</u>	<u>1,096,466</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2001 £	2000 £
Trade creditors	442,578	466,648
Corporation tax	311,974	235,000
Other taxation and social security	49,094	36,133
Amounts owed to other group companies	5,868	-
Accruals and deferred income	191,260	177,986
Proposed dividend	80,017	120,956
	<u>1,080,791</u>	<u>1,036,723</u>

12. DEFERRED TAXATION

	£
At 1 March 2000	-
Profit and loss account charge	-
At 28 February 2001	<u>-</u>

	Amount Provided £	2001 Amount Unprovided £	Amount Provided £	2000 Amount Unprovided £
Excess of capital allowances over depreciation	-	(5,533)	-	(2,239)
Interest and other timing differences	-	(36,501)	-	(28,169)
	<u>-</u>	<u>(42,034)</u>	<u>-</u>	<u>(30,408)</u>

The amount unprovided represents a deferred tax asset which has not been recognised in the accounts.

**NOTES TO THE FINANCIAL STATEMENTS**  
Year Ended 28 February 2001

**13. SHARE CAPITAL**

	Number of shares	2001 £	Number of shares	2000 £
<b>Authorised</b>				
Ordinary shares of £1 each	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>	<u>16,000</u>
<b>Called up, allotted and fully paid</b>				
Ordinary shares of £1 each	<u>15,500</u>	<u>15,500</u>	<u>15,500</u>	<u>15,500</u>

**14. RESERVES**

	Profit and loss account £
At 1 March 2000	1,746,757
Profit for the year	<u>136,416</u>
At 28 February 2001	<u>1,883,173</u>

**15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	Year Ended 28 February 2001 £	Nine Months Ended 29 February 2000 £
Profit for the financial year	682,080	502,971
Dividends	<u>(545,664)</u>	<u>(829,207)</u>
<b>Net movement in shareholders' funds</b>	<u>136,416</u>	<u>(326,236)</u>
Opening shareholders' funds	<u>1,762,257</u>	<u>2,088,493</u>
<b>Closing shareholders' funds</b>	<u>1,898,673</u>	<u>1,762,257</u>

**16. PENSION COMMITMENTS**

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £27,611 (2000: £19,124).

The company provides no other post retirement benefits to its employees.

**17. CONTINGENT LIABILITIES**

There is a contingent liability in respect of a £120,000 (2000: £120,000) guarantee to Customs and Excise. No loss is expected to arise in respect of this guarantee.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year Ended 28 February 2001**

**18. RELATED PARTIES**

Financial Reporting Standard Number 8 gives an exemption that transactions which eliminate on consolidation do not require disclosure. The company has taken advantage of this exemption.

There are no other material related party transactions.

**19. CONTROLLING PARTIES**

The immediate controlling party and the largest group into which Howland-West Limited is consolidated is Wilton Investments Limited, a company registered in England and Wales. Wilton Investments Limited exercises operational control over Howland-West Limited. Copies of the financial statements of Wilton Investments Limited are available from the registered office as detailed on page 2.

The ultimate controlling party is a trust known as The GAM 2001 Trust which owns a controlling interest.