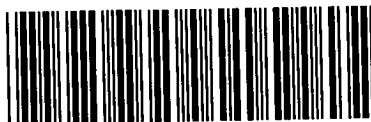


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COMPANIES HOUSE

MALLET & SON, LIMITED

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 JUNE 2014**

**REGISTRATION NUMBER
00116580**

MALLET & SON, LIMITED
REGISTRATION NUMBER 00116580

COMPANY INFORMATION

Directors	D C Adams M B Elliott S L Davey
Secretary	S L Davey
Company number	00116580
Registered office	Southwest House Upcott Avenue Pottington Business Park Barnstaple Devon EX31 1NZ
Auditors	Thomas Westcott 96 High Street Ilfracombe Devon EX34 9NH
Business address	6/7 Victoria Square Truro Cornwall TR1 2RT
Bankers	National Westminster Bank plc 41 High Street Barnstaple Devon EX31 1BZ
Solicitors	Ashfords Ashford House Grenadier Road Exeter EX1 3LH

MALLET & SON, LIMITED
REGISTRATION NUMBER 00116580

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STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2014

Business review

The performance of the company is detailed in the profit and loss account on page 6. The directors report turnover of £2,501,301 (2013 - £2,522,582). Loss for the year after tax was reported as £76,645, this is compared to a prior year loss after tax of £83,552.

The directors are satisfied with the performance of the company during this period.

The net assets of the group as at 30 June 2014 are shown on page 7 and show a position of £201,701 compared to a net position of £38,846 as at 30 June 2013.

The directors do not recommend payment of a final dividend.

Principal risks and uncertainties

The company's Electronic Point of Sale system makes it heavily dependent upon its computer systems. These systems are supported by a combination of in-house staff familiar with the operational issues and external IT specialists under formal support contracts. This is supported by off site data backup routines which would enable systems to be up and running within an acceptable time scale if required.

The directors consider there are no other principal risks or uncertainties presently facing the business.

Financial instruments

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from trading activities which are conducted in sterling. The company does not enter into hedging transactions.

Environmental and Social Matters

Information about environmental matters, the company's employees, social community and human rights issues has not been provided as the directors do not believe that this is fundamental to gain an understanding of the business.

Directors

All three of the Company Directors are male.

This report was approved by the Board on 18 September 2014 and signed on its behalf by



D C Adams
Director

MALLET & SON, LIMITED
REGISTRATION NUMBER 00116580

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2014

The directors present their report and the financial statements for the year ended 30 June 2014.

Principal activity

The principal activity of the company continues to be the retailing of domestic hardware and household goods.

Directors

The directors who served during the year are as stated below:

D C Adams
M B Elliott
S L Davey

Statement of directors' responsibilities

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 year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 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.

In so far as the directors are aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

MALLET & SON, LIMITED
REGISTRATION NUMBER 00116580

DIRECTORS' REPORT

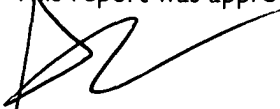
FOR THE YEAR ENDED 30 JUNE 2014

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Auditors

Thomas Westcott are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This report was approved by the Board on 18 September 2014 and signed on its behalf by



S L Davey
Secretary

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MALLETT & SON, LIMITED

We have audited the financial statements of Mallett & Son, Limited for the year ended 30 June 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Movements in Shareholders' Funds and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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 explained more fully in the Directors' Responsibilities Statement set out on page 2 - 3, 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 of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

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 30 June 2014 and of its loss 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.

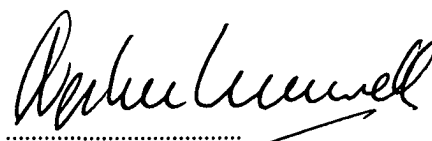
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MALLET & SON, LIMITED

.....continued

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.



.....
**Stephen Cresswell BA FCA
DChA (senior statutory
auditor)**

**For and on behalf of
Thomas Westcott
Chartered Accountants and
Statutory Auditor
96 High Street
Ilfracombe
Devon
EX34 9NH**

20 November 2014

MALLET & SON, LIMITED
REGISTRATION NUMBER 00116580

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2014

		Continuing operations	
		2014	2013
	Notes	£	£
Turnover	2	2,501,301	2,522,582
Cost of sales		(1,481,924)	(1,493,261)
Gross profit		<u>1,019,377</u>	<u>1,029,321</u>
Administrative expenses		(1,105,141)	(1,117,146)
Other operating income		<u>7,105</u>	<u>7,359</u>
Operating loss	3	<u>(78,659)</u>	<u>(80,466)</u>
Investment income	5	60	60
Other interest receivable and similar income	6	79	85
Interest payable and similar charges	7	<u>(371)</u>	<u>(837)</u>
Loss on ordinary activities before taxation		<u>(78,891)</u>	<u>(81,158)</u>
Tax on loss on ordinary activities	10	<u>2,246</u>	<u>(2,394)</u>
Loss for the year	19	<u><u>(76,645)</u></u>	<u><u>(83,552)</u></u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 9 to 19 form an integral part of these financial statements.

MALLET & SON, LIMITED
REGISTRATION NUMBER 00116580

BALANCE SHEET

AS AT 30 JUNE 2014

		2014		2013	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		147,740		141,493
Investments	12		5,000		5,000
			<u>152,740</u>		<u>146,493</u>
Current assets					
Stocks	13	592,596		551,900	
Debtors	14	130,219		143,281	
Cash at bank and in hand		5,715		9,623	
		<u>728,530</u>		<u>704,804</u>	
Creditors: amounts falling due within one year	15	(661,485)		(792,121)	
Net current assets/(liabilities)			<u>67,045</u>		<u>(87,317)</u>
Total assets less current liabilities			219,785		59,176
Provisions for liabilities	16		<u>(18,084)</u>		<u>(20,330)</u>
Net assets			<u>201,701</u>		<u>38,846</u>
Capital and reserves					
Called up share capital	18		250,000		10,500
Profit and loss account	19		<u>(48,299)</u>		<u>28,346</u>
Shareholders' funds	20		<u>201,701</u>		<u>38,846</u>

The financial statements were approved by the Board on 18 September 2014 and signed on its behalf by

D C Adams
Director



M B Elliott
Director



The notes on pages 9 to 19 form an integral part of these financial statements.

MALLET & SON, LIMITED
REGISTRATION NUMBER 00116580

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 £	2013 £
Reconciliation of operating loss to net cash outflow from operating activities			
Operating loss		(78,659)	(80,466)
Depreciation		21,063	30,493
(Increase) in stocks		(40,696)	4,824
Decrease in debtors		13,062	(5,915)
Increase in creditors		117,208	82,131
Net cash outflow from operating activities		<u>31,978</u>	<u>31,067</u>
Cash flow statement			
Net cash outflow from operating activities		31,978	31,067
Returns on investments and servicing of finance	24	(232)	(692)
Capital expenditure	24	(27,310)	(12,137)
		<u>4,436</u>	<u>18,238</u>
Financing	24	-	(6,367)
Decrease in cash in the year		<u>4,436</u>	<u>11,871</u>
Reconciliation of net cash flow to movement in net funds (Note 25)			
Decrease in cash in the year		4,436	11,871
Cash outflow from decrease in debts and lease financing		-	6,367
Change in net funds resulting from cash flows		<u>4,436</u>	<u>18,238</u>
Net debt at 1 July 2013		<u>(18,139)</u>	<u>(36,377)</u>
Net debt at 30 June 2014		<u>(13,703)</u>	<u>(18,139)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

1.2. Turnover

Turnover represents the total value of goods, excluding value added tax, provided to customers during the year, plus the value of work, excluding value added tax, performed during the year with respect to services.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold properties	-	Straight line over the life of the lease
Plant and machinery	-	3 years straight line.
Fixtures, fittings and equipment	-	10% reducing balance.
Motor vehicles	-	25% reducing balance.

Tangible fixed assets are stated at cost less accumulated depreciation.

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5. Investments

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

1.6. Stock

Stock is valued at the lower of cost and net realisable value.

1.7. Pensions

The company operates a defined contribution pension scheme. The pension costs charged in the financial statements represents the contribution payable by the company during the year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

..... continued

1.8. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.9. Going concern

The directors have determined that the company will have adequate resources available to finance its trading and other obligations during the course of the twelve months from the date of approval of these financial statements. These financial statements have therefore been prepared on a going concern basis.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

Turnover represents the amounts derived from goods and services which fall within the company's ordinary activities net of value added tax.

3. Operating loss

	2014	2013
	£	£
Operating loss is stated after charging:		
Depreciation and other amounts written off tangible assets	21,063	30,493
Operating lease rentals		
- Plant and machinery	240	288
- Land and buildings	161,500	161,500
Auditors' remuneration (Note 4)	5,600	5,624

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

..... continued

4. Auditors' remuneration

	2014	2013
	£	£
Auditors' remuneration - audit of the financial statements	<u>5,600</u>	<u>5,624</u>
Auditors' remuneration - other fees:		
- Accountancy	<u>750</u>	<u>750</u>

5. Income from investments

	2014	2013
	£	£
Income from investments	<u>60</u>	<u>60</u>

6. Interest receivable and similar income

	2014	2013
	£	£
Bank interest	<u>79</u>	<u>85</u>

7. Interest payable and similar charges

	2014	2013
	£	£
On bank loans and overdrafts	192	121
Hire purchase interest	<u>179</u>	<u>716</u>
	<u>371</u>	<u>837</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

..... continued

8. Employees

Number of employees	2014	2013
The average monthly numbers of employees (including the directors) during the year were:		
Management	4	4
Administration	5	5
Sales	37	35
	<u>46</u>	<u>44</u>
Employment costs	2014	2013
	£	£
Wages and salaries	514,706	531,024
Social security costs	25,541	29,913
Pension costs-other operating charge	4,134	4,667
	<u>544,381</u>	<u>565,604</u>

9. Pension costs

The company operates a defined contribution pension scheme in respect of its employees. The scheme and its assets are held separately by independent managers. The pension charge represents contributions due from the company and amounted to £4,134 (2013 - £4,667). As at 30 June 2014, the amount owing by the company in respect of this scheme was £659 (2013: £857).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

..... continued

10. Tax on loss on ordinary activities

Analysis of charge in period	2014 £	2013 £
Total current tax charge	-	-
Deferred tax		
Timing differences, origination and reversal	(2,246)	2,394
Total deferred tax	(2,246)	2,394
Tax on loss on ordinary activities	(2,246)	2,394

Factors affecting tax charge for period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (23.00 per cent). The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before taxation	(78,891)	(81,158)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.00% (30 June 2013 : 24.00%)	(18,145)	(19,478)
Effects of:		
Expenses not deductible for tax purposes	(59)	(14)
Capital allowances for period in excess of depreciation	(3,752)	4,276
Utilisation of tax losses	18,068	15,256
short term timing differences	-	(40)
Unrealised tax losses	3,888	-
Current tax charge for period	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

..... continued

11. Tangible fixed assets	Short leasehold property	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 July 2013	28,750	258,951	474,069	12,200	773,970
Additions	-	2,498	24,812	-	27,310
At 30 June 2014	28,750	261,449	498,881	12,200	801,280
Depreciation					
At 1 July 2013	16,961	255,406	349,900	10,210	632,477
Charge for the year	1,916	2,596	16,054	497	21,063
At 30 June 2014	18,877	258,002	365,954	10,707	653,540
Net book values					
At 30 June 2014	9,873	3,447	132,927	1,493	147,740
At 30 June 2013	11,789	3,545	124,169	1,990	141,493

12. Fixed asset investments	Other unlisted investments	Total
	£	£
Cost		
At 1 July 2013		
At 30 June 2014	5,000	5,000
Net book values		
At 30 June 2014	5,000	5,000
At 30 June 2013	5,000	5,000

12.1. Fixed asset investments	2014	2013
	£	£
Directors' valuation of unlisted investments	5,500	5,500

MALLET & SON, LIMITED
REGISTRATION NUMBER 00116580

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

..... continued

13. Stocks	2014	2013
	£	£
Finished goods and goods for resale	<u>592,596</u>	<u>551,900</u>
14. Debtors	2014	2013
	£	£
Trade debtors	6,467	11,872
Other debtors	6,921	2,204
Prepayments and accrued income	<u>116,831</u>	<u>129,205</u>
	<u>130,219</u>	<u>143,281</u>
15. Creditors: amounts falling due within one year	2014	2013
	£	£
Bank overdraft	19,418	22,671
Net obligations under finance leases and hire purchase contracts	-	5,091
Trade creditors	144,378	148,928
Amounts owed to group undertaking	441,789	530,505
Other taxes and social security costs	28,952	40,284
Other creditors	4,975	5,601
Accruals and deferred income	<u>21,973</u>	<u>39,041</u>
	<u>661,485</u>	<u>792,121</u>

The bank overdraft is secured by an unscheduled mortgage debenture incorporating a fixed and floating charge over all current and future assets of the company. The company has cross guarantees covering its bank liabilities and those of its parent company, Home Hardware Southwest Ltd. The hire purchase creditors are secured on the assets to which they relate.

MALLET & SON, LIMITED
REGISTRATION NUMBER 00116580

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

..... continued

16. Provisions for liabilities

	Deferred taxation (Note 17) £	Total £
At 1 July 2013	20,330	20,330
Movements in the year	(2,246)	(2,246)
At 30 June 2014	<u>18,084</u>	<u>18,084</u>

17. Provision for deferred taxation

	2014 £	2013 £
Accelerated capital allowances	18,084	20,330
Provision for deferred tax	<u>18,084</u>	<u>20,330</u>
Provision at 1 July 2013	20,330	
Deferred tax credit in profit and loss account	(2,246)	
Provision at 30 June 2014	<u>18,084</u>	

MALLET & SON, LIMITED
REGISTRATION NUMBER 00116580

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

..... continued

18. Share capital	2014	2013
	£	£
Authorised		
250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>10,500</u>
Allotted, called up and fully paid		
250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>10,500</u>
Equity Shares		
250,000 Ordinary shares of £1 each	<u>250,000</u>	<u>10,500</u>

On 3rd June 2014 the company issued 239,500 £1 Ordinary shares.

19. Equity Reserves	Profit and loss account	Total
	£	£
At 1 July 2013	28,346	28,346
Loss for the year	<u>(76,645)</u>	<u>(76,645)</u>
At 30 June 2014	<u>(48,299)</u>	<u>(48,299)</u>

20. Reconciliation of movements in shareholders' funds	2014	2013
	£	£
Loss for the year	(76,645)	(83,552)
Net proceeds of equity share issue	<u>239,500</u>	<u>-</u>
Net addition to shareholders' funds	162,855	(83,552)
Opening shareholders' funds	<u>38,846</u>	<u>122,398</u>
Closing shareholders' funds	<u>201,701</u>	<u>38,846</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

..... continued

21. Financial commitments

At 30 June 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2014	2013
	£	£
Expiry date:		
In over five years	<u>138,000</u>	<u>161,500</u>

22. Related party transactions

During the year, Home Hardware South West Limited supplied goods and services to the value of £946,369 (2013: £914,768) on an arms length basis and normal commercial terms. The company was also charged £42,048 (2013: £39,474) by Home Hardware South West Limited in respect of management charges.

The inter-company balance with Home Hardware South West Limited is £447,741 (2013: £530,505) at 30 June as shown in note 15.

The investments shown at cost in note 12, include £1,000 which represent shares held in the parent company Home Hardware South West Limited. During the year the company received dividends for the period to 30 June 2014 of £60 (2013: £60).

During the year Home Hardware South West Limited increased the number of shares held from 10,500 to 250,000 at £1 each.

23. Ultimate parent undertaking

The company is a wholly owned subsidiary of Home Hardware Southwest Limited, a company incorporated and registered in England and Wales. Consolidated accounts may be obtained on request from the registered office.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

..... continued

24. Gross cash flows

	2014 £	2013 £
Returns on investments and servicing of finance		
Interest received	79	85
Interest paid	(371)	(837)
Dividends received	60	60
	<u>(232)</u>	<u>(692)</u>
Capital expenditure		
Payments to acquire tangible assets	<u>(27,310)</u>	<u>(12,137)</u>
Financing		
Capital element of finance leases and hire purchase contracts	<u>-</u>	<u>(6,367)</u>

25. Analysis of changes in net funds

	Opening balance £	Cash flows £	Closing balance £
Cash at bank and in hand	9,623	(3,908)	5,715
Overdrafts	(22,671)	3,253	(19,418)
	<u>(13,048)</u>	<u>(655)</u>	<u>(13,703)</u>
Finance leases and hire purchase contracts	(5,091)	5,091	-
Net funds	<u>(18,139)</u>	<u>4,436</u>	<u>(13,703)</u>

26. Going concern

The company has a negative profit and loss reserve at the year end as a result of the trading loss. It's parent company Home Hardware Southwest Limited currently support the company and will not be seeking repayment of the intercompany loan during the twelve months following approval of these accounts. Therefore the ccounts have been prepared on a going concern basis.