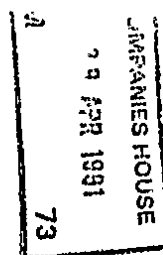


DUNNING SHOPFITTERS (1990) LIMITED

DIRECTORS' REPORT AND ACCOUNTS

30 JUNE 1990

2451888



DUNNING SHOPFITTERS (1990) LIMITED

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DUNNING SHOPFITTERS (1990) LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 1990

The directors present their report and the audited financial statements of the company for the six month period ended 30 June 1990.

INCORPORATION

The company was incorporated as Signbrand Limited on 12 December 1989 and changed its name to Dunning Shopfitters (1990) Limited on 26 January 1990.

ACTIVITY

The principal activity of the company is that of shopfitting.

The company acquired certain assets and contracts in progress as the result of a management buyout of Dunning Shopfitters Limited (in Receivership) on 22 December 1989.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The novated contracts have all been successfully completed.

All new contracts have either been successfully completed or while still in progress are on programme to complete within the agreed time.

In addition to maintaining the existing client base, this has been extended to incorporate a mixture of non-retail clients and serious consideration given to the European market with the approach of 1992.

RESULTS

The results of the period's trading are set out in the annexed financial statements. The directors do not recommend the payment of a dividend. The loss for the period of £245,000 has been deducted from reserves.

FIXED ASSETS

The changes in tangible fixed assets during the period are shown in note 9 to the accounts.

DUNNING SHOPFITTERS (1990) LIMITED

DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 JUNE 1990 (Continued)

DIRECTORS AND THEIR INTERESTS (Continued)

The directors who served during the period were:

Instant Companies Limited	(Appointed 12 December 1989, resigned 21 December 1989)
CAF Dunning	(Appointed 21 December 1989)
BEF Rolfe	(Appointed 21 December 1989)
AR Hinton	(Appointed 21 December 1989)
JC Young	(Appointed 8 January 1990)
RA Martin	(Appointed 8 January 1990)
Non-executive R Agnew	(Appointed 8 May 1990)

The following directors have beneficial interests in the company's share capital:

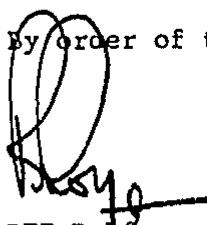
	£1 Ordinary Shares <u>30 June 1990</u>
CAF Dunning	350,000
BEF Rolfe	50,000

Mr CAF Dunning had a loan with the company during the period. The outstanding balance at the period end was £5,349, which has been subsequently repaid. The maximum amount outstanding during the period was £5,349.

AUDITORS

Price Waterhouse, Chartered Accountants, were appointed auditors during the period and have expressed their willingness to continue in office. A resolution proposing their reappointment will be laid before the Annual General Meeting.

By order of the board


BEF Rolfe
Secretary

22 October 1990

DUNNING SHOPFITTERS (1990) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 JUNE 1990

	<u>Note</u>	6 month period ended <u>30 June 1990</u> £000
Turnover	1	10,416
Cost of Sales		<u>10,160</u>
Gross Profit		256
Administrative Expenses		<u>410</u>
Operating Loss		(154)
Interest Payable	5	(52)
Other Interest Receivable and Similar Income	6	<u>48</u>
Loss on Ordinary Activities Before Taxation	2	(158)
Tax on Loss on Ordinary Activities	7	<u>-</u>
Loss on Ordinary Activities After Taxation		(158)
Extraordinary Item	8	<u>(87)</u>
Loss for the Financial Period	16	<u>(245)</u>

DUNNING SHOPFITTERS (1990) LIMITED

BALANCE SHEET AT 30 JUNE 1990

	<u>Note</u>	<u>30 June 1990</u>
		<u>£000</u> <u>£000</u>
FIXED ASSETS		
Tangible assets	9	280
CURRENT ASSETS		
Stocks	10	724
Debtors	11	1,881
Cash at bank and in hand		<u>185</u>
		2,790
CREDITORS - Amounts falling due within one year	12	(<u>2,251</u>)
NET CURRENT ASSETS		<u>539</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		£19
CREDITORS - Amounts falling due after more than one year	13	(<u>204</u>)
		<u>615</u>
CAPITAL AND RESERVES		
Called up share capital	14	762
Share premium account	15	98
Profit and loss account	16	(<u>245</u>)
		<u>615</u>

Approved by the board of directors on 14 October 1990:

..... Director

..... Director

DUNNING SHOPFITTERS (1990) LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE PERIOD ENDED 30 JUNE 1990

6 month
period ended
30 June 1990
£000

ABSORBED BY OPERATIONS

Loss on ordinary activities

before taxation

(158)

Extraordinary item

(87)

Adjustment for items not

involving the movement of funds:

Depreciation

31

Amortisation of goodwill

10

Write-off of sundry assets acquired from the
Receiver of Dunning Shopfitters Limited

(in Receivership)

26

(178)

OTHER SOURCES

Issue of shares

860

Bank loan

200

Finance lease agreements

64

946

APPLICATION OF FUNDS

Purchase of fixed assets

(119)

Net amount paid to the Receiver (Note 17)

(967)

(140)

MOVEMENT IN WORKING CAPITAL

Decrease in stocks and work in progress

15

(Increase) in debtors

(1,881)

Increase in creditors

2,191

INCREASE IN NET LIQUID FUNDS

185

DUNNING SHOPFITTERS (1990) LIMITED

NOTES TO THE ACCOUNTS - 30 JUNE 1990

1 ACCOUNTING POLICIES

(a) Basis of preparation

The accounts have been prepared under the historical cost convention.

(b) Turnover

Turnover represents the agreed valuation of work completed during the period excluding value added tax.

(c) Goodwill

Purchased goodwill is written off on acquisition.

(d) Depreciation

Tangible fixed assets are written off over their estimated useful lives at the following rates per annum on a straight line basis:

Buildings	5%
Plant and machinery	between 10% and 50%
Fixtures, fittings, tools and equipment	between 20% and 50%
Motor vehicles	33%

(e) Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. The cost of work in progress and finished goods comprises materials, labour and attributable overheads.

Payments received and receivable on account of work in progress are deducted from the cost of the work carried out at the balance sheet date to the extent of the valuation of the work done.

(f) Taxation

The charge for corporation tax is calculated based on the taxation rates in force in the year. Provision is made for deferred taxation unless it is unlikely that a liability will arise within the foreseeable future.

(g) Leasing

Rentals payable under operating leases are charged to the profit and loss account over the term of the lease. Assets funded through finance lease agreements are capitalised in the balance sheet, and related interest is charged through the profit and loss account as incurred.

DUNNING SHOPFITTERS (1990) LIMITED

NOTES TO THE ACCOUNTS - 30 JUNE 1990 (Continued)

1 ACCOUNTING POLICIES (Continued)

(h) Pension costs

Pension costs represent amounts set aside by the company in respect of benefits to be provided. (Note 20)

2 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

6 month
period ended
30 June 1990
£000

The loss on ordinary activities before taxation is stated after charging:

Amortisation of goodwill	10
Depreciation	31
Auditors' remuneration	23
Hire of plant and machinery	95
Operating lease rentals	
- other	119
Staff costs (Note 3)	826

3 STAFF COSTS AND DIRECTORS' EMOLUMENTS

6 month
period ended
30 June 1990
£000

Wages and salaries	753
Social security costs	62
Other pension costs	<u>21</u>
	<u>836</u>

Aggregate directors' emoluments were £114,512, including pensions and £2,500 directors fees. The emoluments, excluding pension contributions, of the chairman, who is the highest paid director, were £24,575. The emoluments of the other directors, excluding pension contributions, fell within the following bands:

6 month
period ended
30 June 1990
Number

NIL	- £5,000	1
£10,001	- £15,000	2
£20,001	- £25,000	2

DUNNING SHOPFITTERS (1990) LIMITED

NOTES TO THE ACCOUNTS - 30 JUNE 1990 (Continued)

4 EMPLOYEES

6 month
period ended
30 June 1990
Number

The average number of employees during the period was

108

5 INTEREST PAYABLE

6 month
period ended
30 June 1990
£000

Bank loan and overdraft wholly repayable
within five years
Finance lease interest

47

5

52

6 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

6 month
period ended
30 June 1990
£000

Other income
Bank interest

43

5

48

7 TAX ON LOSS ON ORDINARY ACTIVITIES

No corporation tax has been provided in respect of the current period
because of the taxable loss incurred for the period.

8 EXTRAORDINARY ITEM

6 month
period ended
30 June 1990
£000

Extraordinary expenditure

87

The extraordinary expenditure is in respect of legal and professional
fees incurred on the management buyout from Dunning Shopfitters
Limited (in Receivership).

DUNNING SHOPFITTERS (1990) LIMITED

NOTES TO THE ACCOUNTS - 30 JUNE 1990 (Continued)

9 TANGIBLE ASSETS

	<u>Buildings</u> £000	<u>Plant and machinery</u> £000	<u>Fixtures, fittings, tools and equipment</u> £000	<u>Motor Vehicles</u> £000	<u>Total</u> £000
COST					
Additions and at 30 June 1990	20	117	168	6	311
DEPRECIATION					
Charge for the period	<u>(1)</u>	<u>(7)</u>	<u>(22)</u>	<u>(1)</u>	<u>(31)</u>
NET BOOK AMOUNT					
At 30 June 1990	<u>19</u>	<u>110</u>	<u>146</u>	<u>5</u>	<u>280</u>

Plant and machinery with a net book amount of £65,000 at 30 June 1990 is being purchased under finance lease agreements. Depreciation amounting to £3,000 was provided on these assets during the period.

10 STOCKS

	<u>1990</u> £000
Raw materials	129
Long term contract balances: Net cost less foreseeable losses	<u>595</u>
	<u>724</u>

11 DEBTORS

	<u>1990</u> £000
Trade debtors	1,338
Other debtors	200
Prepayments	72
Income Tax recoverable	<u>271</u>
	<u>1,881</u>

Included within trade debtors are amounts of £182,000 receivable after more than one year.

DUNNING SHOPFITTERS (1990) LIMITED

NOTES TO THE ACCOUNTS - 30 JUNE 1990 (Continued)

12 CREDITORS - Amounts falling due within one year

	<u>1990</u> <u>£000</u>
Bank loan	50
Finance lease obligations	10
Trade creditors	1,049
Other tax and social security	57
Other creditors	38
Accruals	<u>1,047</u>
	<u>2,251</u>

The bank loan is secured by fixed and floating charges over assets.

13 CREDITORS - Amounts falling due after more than one year

	<u>1990</u> <u>£000</u>
Bank loan	150
Finance lease obligations	<u>54</u>
	<u>204</u>

The bank loan is repayable as follows:

	£000
31 December 1991	50
31 December 1992	100

The loan bears interest at 2% above the base rate.

Obligations under finance leases are as follows:

	£000
Year ending 30 June:	
1991	19
1992 - 1995	68
1996 onwards	<u>-</u>
	87
Finance charges allocated to future periods	<u>(23)</u>
	64
Amounts falling due within one year	<u>(10)</u>
	<u>54</u>

DUNNING SHOPFITTERS (1990) LIMITED

NOTES TO THE ACCOUNTS - 30 JUNE 1990 (Continued)

14 CALLED UP SHARE CAPITAL

	<u>1990</u> Number	<u>1990</u> £
Authorised, allotted and fully paid		
Ordinary shares of £1 each	400,000	400,000
12% cumulative preferred shares of £1 each	133,333	133,333
12% cumulative preference shares of 70p each	<u>326,667</u>	<u>228,667</u>
	<u>860,000</u>	<u>762,000</u>

15 SHARE PREMIUM ACCOUNT

	<u>1990</u> £000
Share premium account	<u>98</u>
The share premium account results from the issue of 326,667 12% cumulative preference shares of 70p each at a premium of 30p per share	

16 PROFIT AND LOSS ACCOUNT

	£000
Loss for the financial period	(245)
Balance at 30 June 1990	<u>(245)</u>

17 NET AMOUNT PAID TO THE RECEIVER

The net amount paid to the Receiver was allocated as follows:

	£000
Goodwill	10
Fixed Assets	192
Stock	120
Work in Progress contracts novated	619
Sundry assets	<u>26</u>
	<u>967</u>

DUNNING SHOPFITTERS (1990) LIMITED

NOTES TO THE ACCOUNTS - 30 JUNE 1990 (Continued)

18 OPERATING LEASES

Future annual commitments payable under operating leases which expire:

	<u>1990</u> <u>£000</u>
Motor vehicles	
Within 1 year	7
Within 2-5 years	<u>189</u>
	<u>196</u>

19 CONTINGENT LIABILITIES

The company may be required to relocate to new premises in the foreseeable future. At the present time the company rents its site from the Receiver of Dunning Shopfitters Limited (in Receivership) who is actively trying to sell the property. No provision has been made for any relocation expenses that may arise due to the uncertainty that exists over the possible relocation and the difficulty of assessing the likely costs.

20 CONTRIBUTIONS TO PENSION FUNDS

The company is in the process of establishing a pension scheme. The assets of the scheme will be held separately from those of the company in an independently administered fund. The pension cost charge represents amounts set aside by the company in respect of benefits to be provided and amounted to £21,119. Contributions totalling £36,742 were payable to the fund at the period end and are included in creditors.