

Company Registration No. 02634761 (England and Wales)

CONFORTLUXE FURNITURE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2004



CONFORTLUXE FURNITURE LIMITED

COMPANY INFORMATION

Directors M Vandendriessche
A Ollevier

Secretary M Vandendriessche

Company number 02634761

Registered office Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

Auditors Hazlewoods
Windsor House
Gloucester
GL4 3RT

Business address Long Street
Dursley
Glos
GL11 4JB

CONFORTLUXE FURNITURE LIMITED

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CONFORTLUXE FURNITURE LIMITED

DIRECTORS' REPORT

for the year ended 31 March 2004

The directors present their report and financial statements for the year ended 31 March 2004.

Principal activities

The principal activity of the company continued to be the importation and wholesale of upholstered furniture.

Directors

The following directors have held office since 1 April 2003:

M Vandendriessche
A Ollevier

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 March 2004	1 April 2003
M Vandendriessche	-	-
A Ollevier	3	3

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Hazlewoods be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 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;
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


M Vandendriessche

Director

24/1/05

CONFORTLUXE FURNITURE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CONFORTLUXE FURNITURE LIMITED

We have audited the financial statements of Confortlux Furniture Limited on pages 3 to 8 for the year ended 31 March 2004. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out herein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 the directors and auditors

As described in the statement of directors' responsibilities on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Companies Act 1985. 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 with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 31 March 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Hazelwoods

Chartered Accountants
Registered Auditor

24/1/05.....

Windsor House
Gloucester
GL4 3RT

CONFORTLUXE FURNITURE LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2004

	Notes	2004 £	2003 £
Turnover		4,634,758	5,241,258
Cost of sales		(3,942,227)	(4,552,074)
Gross profit		692,531	689,184
Distribution costs		(246,583)	(276,998)
Administrative expenses		(369,486)	(321,750)
Operating profit	2	76,462	90,436
Other interest receivable and similar income		16,755	9,797
Interest payable and similar charges		(4,178)	-
Profit on ordinary activities before taxation		89,039	100,233
Tax on profit on ordinary activities	3	(19,850)	(43,178)
Profit on ordinary activities after taxation		69,189	57,055
Dividends		(300,000)	-
Retained (loss)/profit for the year	9	(230,811)	57,055

CONFORTLUXE FURNITURE LIMITED

BALANCE SHEET as at 31 March 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	4		219		691
Current assets					
Debtors	5	457,645		615,365	
Cash at bank and in hand		876,324		699,758	
		<u>1,333,969</u>		<u>1,315,123</u>	
Creditors: amounts falling due within one year	6	<u>(1,191,764)</u>		<u>(942,579)</u>	
Net current assets			142,205		372,544
Total assets less current liabilities			<u>142,424</u>		<u>373,235</u>
Capital and reserves					
Called up share capital	8		12,500		12,500
Profit and loss account	9		129,924		360,735
Shareholders' funds			<u>142,424</u>		<u>373,235</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 24/1/05.....


M Vanderriessche
Director

CONFORTLUXE FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2004

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Turnover

Turnover represents the amounts excluding value added tax receivable during the year for goods and services supplied.

1.3 Tangible fixed assets and depreciation

Depreciation is calculated to write off the cost less estimated residual value of tangible assets over their estimated useful lives at the following rates:

Plant and machinery	25% to 33% of cost per annum
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1.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date, or if appropriate at the forward contract rate. Non-monetary assets denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of acquisition of the assets. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction, or at the contracted rate if the transaction is covered by a forward exchange contract. All revaluation differences and realised foreign exchange differences are taken to the profit and loss account.

2	Operating profit	2004 £	2003 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	472	633
	Auditors' remuneration	4,500	4,500
		<u>4,500</u>	<u>4,500</u>
3	Taxation	2004 £	2003 £
	U.K. current year taxation		
	U.K. corporation tax at 30% (2003- 30%)	26,134	43,178
	Deferred taxation	(51,683)	-
		<u>(25,549)</u>	<u>43,178</u>
	Prior years		
	U.K. corporation tax	45,399	-
		<u>45,399</u>	<u>-</u>
		<u>19,850</u>	<u>43,178</u>

CONFORTLUXE FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2004

4 Tangible fixed assets

	Plant and machinery £
Cost	
At 1 April 2003 & at 31 March 2004	38,743
Depreciation	
At 1 April 2003	38,052
Charge for the year	472
At 31 March 2004	38,524
Net book value	
At 31 March 2004	219
At 31 March 2003	691

5 Debtors

	2004 £	2003 £
Trade debtors	395,617	605,514
Other debtors	10,345	9,851
Deferred tax asset	51,683	-
	457,645	615,365

Deferred tax

	2004 £
Balance at 1 April 2003	-
Profit and loss account	51,683
Balance at 31 March 2004	51,683

	2004 £	2003 £
Depreciation in advance of capital allowances	1,545	-
Other timing differences	50,138	-
	51,683	-

CONFORTLUXE FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2004

6	Creditors: amounts falling due within one year	2004 £	2003 £
	Trade creditors	459,118	370,236
	Taxation and social security	185,378	239,812
	Other creditors	547,268	332,531
		<u>1,191,764</u>	<u>942,579</u>

7 Pension costs

The company pays pension contributions into personal pension plans for certain employees. These are charged to the profit and loss account as they fall due. The pension contributions payable by the company for the year were £2,551 (2003: £2,476).

8	Share capital	2004 £	2003 £
	Authorised		
	12,500 Ordinary shares of £1 each	<u>12,500</u>	<u>12,500</u>
	Allotted, called up and fully paid		
	12,500 Ordinary shares of £1 each	<u>12,500</u>	<u>12,500</u>

9 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2003	360,735
Retained loss for the year	<u>(230,811)</u>
Balance at 31 March 2004	<u>129,924</u>

CONFORTLUXE FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2004

10 Financial commitments

At 31 March 2004 the company had annual commitments under non-cancellable operating leases as follows:

	2004	2003
	£	£
Expiry date:		
Within one year	-	12,019
Between two and five years	12,019	-
	<u>12,019</u>	<u>12,019</u>

11 Control

The ultimate parent company of the only group of which the company is a member is Telifra CVA, a company incorporated in Belgium. Copies of the ultimate parent company's financial statements may be obtained from Telifra CVA, Menensesteenwag 40 - 8940, Wervik, Belgium. Telifra CVA is controlled by O Andre.

12 Related party transactions

The controlling director of the parent company, O Andre, also has sole control of Confortluxe NV, a company registered in Belgium. Confortluxe NV are the sole suppliers of furniture to this company. Purchases totalling £3,658,951 (2003: £4,188,567) have been made from Confortluxe NV. The balance due to Confortluxe NV at 31 March 2004 was £499,408 (2003: £490,611). Confortluxe NV charged this company £117,600 (2003: £78,418) for management charges during the year to cover staff supplied for administration purposes.

O Andre also has sole control of Confortrans, a company registered in Belgium. Confortrans perform goods delivery services for the company. Purchases totalling £187,273 (2003: £221,765) have been made from Confortrans. The balance due to Confortrans at 31 March 2004 was £14,256 (2003: £25,453).

All transactions made between this company and Confortluxe NV and Confortrans were made on normal trading terms.

The parent company, Telifra CVA, charged the company £31,818 (2003: £31,131) for management charges to cover accountancy assistance provided during the year. The balance due to Telifra CVA at 31 March 2004 was £31,818 (2003: Nil).