

Company Registration No. 02634761 (England and Wales)

CONFORTLUXE FURNITURE LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2003



CONFORTLUXE FURNITURE LTD

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 Barnett Way Barnwood Gloucester GL4 3RT
Business address	Long Street Dursley Glos GL11 4JB

CONFORTLUXE FURNITURE LTD

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CONFORTLUXE FURNITURE LTD

DIRECTORS' REPORT for the year ended 31 March 2003

The directors present their report and financial statements for the year ended 31 March 2003.

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 2002:

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 2003	1 April 2002
M Vandendriessche	-	-
A Ollevier	3	12,500

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

23/1/04.....

CONFORTLUXE FURNITURE LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CONFORTLUXE FURNITURE LTD

We have audited the financial statements of Confortluxe Furniture Ltd on pages 3 to 7 for the year ended 31 March 2003. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), 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 2003 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

23/1/04

Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

CONFORTLUXE FURNITURE LTD

PROFIT AND LOSS ACCOUNT for the year ended 31 March 2003

		2003 £	2002 £
	Notes		
Turnover		5,241,258	5,659,440
Cost of sales		(4,552,074)	(4,944,201)
Gross profit		689,184	715,239
Distribution costs		(276,998)	(284,403)
Administrative expenses		(321,750)	(183,833)
Operating profit	2	90,436	247,003
Other interest receivable and similar income		9,797	8,105
Profit on ordinary activities before taxation		100,233	255,108
Tax on profit on ordinary activities	3	(43,178)	(27,976)
Profit on ordinary activities after taxation	9	57,055	227,132

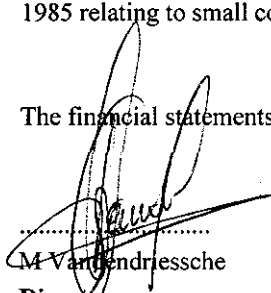
CONFORTLUXE FURNITURE LTD

BALANCE SHEET as at 31 March 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	4		691		1,324
Current assets					
Debtors	5	615,365		555,823	
Cash at bank and in hand		699,758		500,700	
		<u>1,315,123</u>		<u>1,056,523</u>	
Creditors: amounts falling due within one year	6	<u>(942,579)</u>		<u>(741,667)</u>	
Net current assets			<u>372,544</u>		<u>314,856</u>
Total assets less current liabilities			<u><u>373,235</u></u>		<u><u>316,180</u></u>
Capital and reserves					
Called up share capital	8	12,500		12,500	
Profit and loss account	9	360,735		303,680	
Shareholders' funds			<u><u>373,235</u></u>		<u><u>316,180</u></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 March 2000).

The financial statements were approved by the Board on 23/1/04.....


.....
M Vandenriessche
Director

CONFORTLUXE FURNITURE LTD

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2003

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 March 2000).

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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2	Operating profit	2003 £	2002 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	633	1,654
	Auditors' remuneration	4,500	4,500
		<u> </u>	<u> </u>
3	Taxation	2003 £	2002 £
	U.K. current year taxation		
	U.K. corporation tax at 30 % (2002 - 30 %)	43,178	27,976
		<u> </u>	<u> </u>
4	Tangible fixed assets		Plant and machinery £
	Cost		
	At 1 April 2002 & at 31 March 2003		38,743
	Depreciation		
	At 1 April 2002		37,419
	Charge for the year		633
			<u> </u>
	At 31 March 2003		38,052
	Net book value		
	At 31 March 2003		691
			<u> </u>
	At 31 March 2002		1,324
			<u> </u>

CONFORTLUXE FURNITURE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2003

5 Debtors	2003 £	2002 £
Trade debtors	605,514	539,387
Other debtors	9,851	16,436
	<u>615,365</u>	<u>555,823</u>

6 Creditors: amounts falling due within one year	2003 £	2002 £
Trade creditors	370,236	319,705
Taxation and social security	239,812	188,084
Other creditors	332,531	233,878
	<u>942,579</u>	<u>741,667</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 £2,476 (2002: £Nil).

8 Share capital	2003 £	2002 £
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 2002	303,680
Retained profit for the year	<u>57,055</u>
Balance at 31 March 2003	<u>360,735</u>

CONFORTLUXE FURNITURE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 March 2003

10 Financial commitments

At 31 March 2003 the company had annual commitments under non-cancellable operating leases as follows:

	2003	2002
	£	£
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 £4,188,567 (2002: £4,419,342) have been made from Confortluxe NV. The balance due to Confortluxe NV at 31 March 2003 was £490,611 (2002: £281,864). Confortluxe NV charged this company £78,418 (2002: £5,919) 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 £221,765 (2002: £227,296) have been made from Confortrans. The balance due to Confortrans at 31 March 2003 was £Nil (2002: £Nil).

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 £31,131 (2002: £Nil) for management charges to cover accountancy assistance provided during the year.