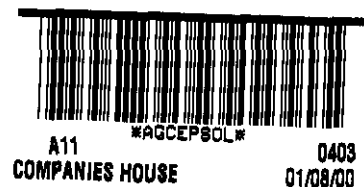


GOFF ASSOCIATES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 1999

Berley
Chartered Accountants
76 New Cavendish Street
LONDON W1M 7LB



GOFF ASSOCIATES LIMITED

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GOFF ASSOCIATES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 1999

The directors present their report and financial statements for the year ended 31 August 1999.

Principal activities

The principal activity of the company during the past financial year was that of interior design consultants.

Directors

The following directors have held office since 1 September 1998:

Patrick Goff

Jane Goff

Directors' interests

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

	Ordinary shares of £ 1 each	
	31 August 1999	1 September 1998
Patrick Goff	1	-
Jane Goff	1	-

Year 2000 systems issue

We have identified the key risks to the business and have developed a plan to minimise their impact. We have considered not only our own systems but also those of our major suppliers and customers. Although no organisation can guarantee that no year 2000 problems will arise, we believe that, having identified and removed the major risks to the business in accordance with the plan we have developed, it will be possible to quickly resolve any such problems as may arise without significant additional costs.

The company has not encountered any problems so far relating to the Year 2000 issue.

Auditors

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

GOFF ASSOCIATES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 1999

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.

By order of the board



Patrick Goff
Director
15 May 2000

GOFF ASSOCIATES LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF GOFF ASSOCIATES LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of 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 31 August 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Belley

Chartered Accountants

and Registered Auditors

London

17 May 2000

GOFF ASSOCIATES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 1999

	Notes	1999 £	1998 £
Turnover		520,226	476,817
Cost of sales		(99,923)	(85,471)
Gross profit		<u>420,303</u>	<u>391,346</u>
Administrative expenses		(383,919)	(331,093)
Operating profit	2	<u>36,384</u>	<u>60,253</u>
Other interest receivable and similar income		506	424
Interest payable and similar charges	3	(1,317)	(1,250)
Profit on ordinary activities before taxation		<u>35,573</u>	<u>59,427</u>
Tax on profit on ordinary activities	4	(7,646)	(10,886)
Profit on ordinary activities after taxation		<u>27,927</u>	<u>48,541</u>
Dividends		(13,000)	-
Retained profit for the year	10	<u><u>14,927</u></u>	<u><u>48,541</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

GOFF ASSOCIATES LIMITED

BALANCE SHEET AS AT 31 AUGUST 1999

	Notes	1999 £	£	1998 £	£
Fixed assets					
Tangible assets	5		33,329		24,491
Current assets					
Stocks		54,080		38,170	
Debtors	6	79,434		26,336	
Cash at bank and in hand		1,295		7,731	
		<u>134,809</u>		<u>72,237</u>	
Creditors: amounts falling due within one year	7	<u>(110,716)</u>		<u>(55,022)</u>	
Net current assets			<u>24,093</u>		<u>17,215</u>
Total assets less current liabilities			<u>57,422</u>		<u>41,706</u>
Creditors: amounts falling due after more than one year	8	(2,451)		-	
Suspense		1,662		-	
		<u>56,633</u>		<u>41,706</u>	
Capital and reserves					
Called up share capital	9		2		2
Profit and loss account	10		56,631		41,704
Shareholders' funds - equity interests	11		<u>56,633</u>		<u>41,706</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.

The financial statements were approved by the Board on 15 May 2000

Patrick Goff
Director

Jane Goff
Director

GOFF ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1999

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	25% Reducing balance
Fixtures, fittings & equipment	20% Reducing balance
Motor vehicles	25% Reducing balance

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 a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.5 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Operating profit

	1999	1998
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	9,580	6,593
Operating lease rentals	-	1,677
Auditors' remuneration	1,020	1,000
Directors' emoluments	86,200	75,800
	<u> </u>	<u> </u>

GOFF ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 1999

3	Interest payable	1999	1998
		£	£
	VAT surcharge	61	200
	Hire purchase interest	740	1,050
		<u>801</u>	<u>1,250</u>
4	Taxation	1999	1998
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 21% (1998 - 21%)	<u>7,646</u>	<u>10,886</u>

GOFF ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 1999

5 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 September 1998	8,205	30,308	-	38,513
Additions	-	4,108	14,310	18,418
At 31 August 1999	8,205	34,416	14,310	56,931
Depreciation				
At 1 September 1998	2,564	11,458	-	14,022
Charge for the year	1,411	4,592	3,577	9,580
At 31 August 1999	3,975	16,050	3,577	23,602
Net book value				
At 31 August 1999	4,230	18,366	10,733	33,329
At 31 August 1998	5,641	18,850	-	24,491

Included above are assets held under finance leases or hire purchase contracts as follows:

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery £
Net book values	
At 31 August 1999	4,230
At 31 August 1998	5,641
Depreciation charge for the year	
31 August 1999	1,411
31 August 1998	1,880

GOFF ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 1999

6	Debtors	1999 £	1998 £
	Trade debtors	79,434	26,334
	Other debtors	-	2
		<u>79,434</u>	<u>26,336</u>
7	Creditors: amounts falling due within one year	1999 £	1998 £
	Bank loans and overdrafts	54,676	-
	Net obligations under hire purchase contracts	-	2,216
	Trade creditors	7,432	9,245
	Taxation and social security	35,079	28,880
	Other creditors	13,529	14,681
		<u>110,716</u>	<u>55,022</u>
	Net obligations under hire purchase contracts		
	Repayable within one year	-	2,917
	Finance charges and interest allocated to future accounting periods	-	(701)
		<u>-</u>	<u>2,216</u>
8	Creditors: amounts falling due after more than one year	1999 £	1998 £
	Bank loans	<u>2,451</u>	<u>-</u>
	Analysis of loans		
	Wholly repayable within five years	7,927	-
	Included in current liabilities	(5,476)	-
		<u>2,451</u>	<u>-</u>
	Loan maturity analysis		
	Between one and two years	<u>2,451</u>	<u>-</u>

GOFF ASSOCIATES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 1999

9	Share capital	1999	1998
		£	£
	Authorised		
	1,000 Ordinary shares of £ 1 each	1,000	1,000
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £ 1 each	2	2
		<u> </u>	<u> </u>
10	Statement of movements on profit and loss account		
			Profit and loss account
			£
	Balance at 1 September 1998		41,704
	Retained profit for the year		14,927
			<u> </u>
	Balance at 31 August 1999		56,631
			<u> </u>
11	Reconciliation of movements in shareholders' funds	1999	1998
		£	£
	Profit for the financial year	27,927	48,541
	Dividends	(13,000)	-
		<u> </u>	<u> </u>
	Net addition to shareholders' funds	14,927	48,541
	Opening shareholders' funds	41,706	(6,835)
		<u> </u>	<u> </u>
	Closing shareholders' funds	56,633	41,706
		<u> </u>	<u> </u>

12 Control

The company was controlled throughout the current and previous year by its directors, Mr Patrick Goff and Mrs Jane Goff.