

2786399

KITCHEN WORLD LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1996

183 FRONT STREET
CHESTER LE STREET
CO DURHAM DH3 3AX

ALAN HYND & COMPANY
CERTIFIED ACCOUNTANTS



KITCHEN WORLD LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1996

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KITCHEN WORLD LIMITED

DIRECTORS AND OFFICERS

FOR THE YEAR ENDED 31ST MARCH 1996

DIRECTORS

P Robinson

SECRETARY

J Robinson

REGISTERED OFFICE

Unit E4
Abbey Road Industrial Estate
Pity Me
Co Durham
DH1 5HA

REPORTING ACCOUNTANTS

Alan Hynd & Company
183 Front Street
Chester le Street
Co. Durham
DH3 3AX

BANKERS

Barclays Bank PLC
53 Fawcett Street
Sunderland
SR1 1SD

COMPANY NUMBER

2786399

KITCHEN WORLD LIMITEDREPORT OF THE DIRECTORS

The directors present their annual report and accounts for the year ended 31 March 1996

PRINCIPAL ACTIVITY

The company's principal activity during the year was that of kitchen and bedroom manufacturers.

DIRECTORS AND THEIR INTERESTS

The directors in office at the date of this report are listed below.

The interests of the directors in the share capital of the company was as follows:-

	Interest in £1 ordinary shares	
	<u>At 31/03/95</u>	<u>At 31/03/94</u>
Mr P Robinson	1	1

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 judgments 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 to operate.

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 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.

The directors have taken advantage, in the preparation of their report, of the special exemptions applicable to small companies.

Approved by the board of directors on 2nd May 1996
and signed on their behalf by:

J Robinson
Secretary



ACCOUNTANTS' REPORT TO THE SHAREHOLDERS OFKITCHEN WORLD LIMITED

We have examined, without carrying out an audit, the accounts for the year ended 31 March 1996 set out on pages 5 to 9.

Respective responsibilities of directors and reporting accountants

As described on page 5 the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit. It is our responsibility to examine the accounts and, based on our examination, to report our opinion, as set out below, to the shareholders.

Basis of opinion

We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report.

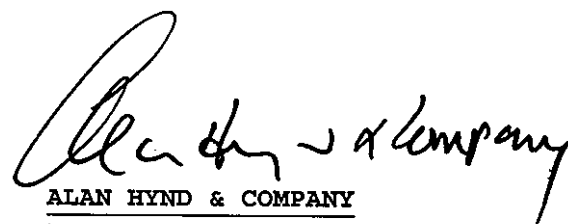
The examination was not an audit conducted in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the accounts. Therefore our examination does not provide any assurance that the accounting records and the accounts are free from material misstatement.

Opinion

In our opinion:

- (a) the accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act, and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

183 FRONT STREET
CHESTER LE STREET
CO DURHAM DH3 3AX


ALAN HYND & COMPANY
REPORTING ACCOUNTANT

2nd May 1996

KITCHEN WORLD LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST MARCH 1996

		<u>1996</u>	<u>1995</u>
	Note	£	£
TURNOVER	2	227,764	285,806
Cost of Sales		(135,880)	(172,727)
GROSS PROFIT		91,884	113,079
Administrative Expenses		(67,753)	(64,928)
OPERATING PROFIT	3	24,131	48,151
Other Income	4	3,626	2,436
		27,757	50,587
Interest Payable & Similar Charges	5	(7)	(52)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		27,750	50,535
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	6	(7,410)	(12,659)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		20,340	37,876
Dividends	7	(20,000)	(24,000)
RETAINED PROFIT FOR THE YEAR		340	13,876
RETAINED PROFIT BROUGHT FORWARD		20,349	6,473
RETAINED PROFIT CARRIED FORWARD		20,689	20,349

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 9 form part of these financial statements.

KITCHEN WORLD LIMITEDBALANCE SHEET AT 31 MARCH 1996

		<u>1996</u>		<u>1995</u>	
	Note	£	£	£	£
FIXED ASSETS					
Tangible Assets	8		19,741		23,369
CURRENT ASSETS					
Stocks	9	12,981		9,479	
Debtors	10	17,760		5,197	
Cash at Bank and in Hand		<u>45,890</u>		<u>24,504</u>	
		76,631		39,180	
CREDITORS					
Amounts falling due within one year	11	<u>75,681</u>		<u>42,198</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>950</u>		<u>(3,018)</u>
PROVISION FOR LIABILITIES AND CHARGES					
			<u>20,691</u>		<u>20,351</u>
CAPITAL & RESERVES					
Called up share capital	12		2		2
Profit and loss account	13		<u>20,689</u>		<u>20,349</u>
			<u>20,691</u>		<u>20,351</u>

The notes on pages 6 to 9 form part of these financial statements.

Director's Statement

(a) The company is entitled to take advantage of the exemption from audit given by Section 249A(2) of the Companies Act 1985 for the year ended 31 March 1996

(b) No notice has been deposited by holders of 10% or more of the company's issued share capital requiring the company to obtain an audit of its accounts for the financial year.

(c) The directors acknowledge their responsibilities for:

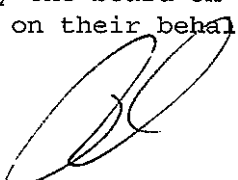
(i) ensuring the company keeps accounting records which comply with Section 221 of the Companies Act 1985; and

(ii) preparing accounts which give a true and fair view of the affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with section 226 of the Companies Act 1985.

The directors have taken advantage, in the preparation of the accounts, of special exemptions applicable to small companies under Schedule 8 part 1 of the Companies Act 1985. In the opinion of the directors the company qualifies as a small company and is entitled to make use of the special exemptions.

Approved by the board on 2nd May 1996
and signed on their behalf.

P Robinson



KITCHEN WORLD LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MARCH 1996**1 ACCOUNTING POLICIES**Basis of accounting

The accounts have been prepared under the historical cost convention.

Cash flow statement

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

Depreciation

Depreciation is provided on the cost of tangible fixed assets in order to write off such cost after taking account of scrap values over the expected useful lives as follows:-

Freehold Land & Buildings	5%	Straight line
Motor Vehicles	25%	Straight line
Fixtures & Fittings	20%	Straight line

Deferred Taxation

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences 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.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value.

Pensions

The company has a defined contribution pension scheme. The cost of the contributions made by the company are charged to the profit and loss account as incurred.

2 TURNOVER

Turnover represents the net amounts, exclusive of Value Added Tax, invoiced during the period by the company.

3 OPERATING PROFIT/LOSS

This is stated after charging or (crediting) the following:

	<u>1996</u>	<u>1995</u>
	£	£
Depreciation	3,060	3,249
(Profit)/loss on disposal	572	-
Directors remuneration	13,200	13,200
Directors pension	<u>3,600</u>	<u>2,300</u>

KITCHEN WORLD LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31ST MARCH 1996

4 OTHER INCOME

	<u>1996</u>	<u>1995</u>
	£	£
Rents Receivable	2,564	1,706
Bank Deposit Interest	878	730
Interest Received	1	-
Commission Received	183	-
	<u>3,626</u>	<u>2,436</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1996</u>	<u>1995</u>
	£	£
Bank Overdraft Interest	7	-
Bank Interest	-	(1)
Interest on Corporation Tax	-	53
	<u>7</u>	<u>52</u>

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1996</u>	<u>1995</u>
	£	£
Corporation tax at 25% (1994 25%)	7,409	13,084
Deferred Taxation	-	(425)
In respect of prior years:-		
Corporation Tax Under/(Over) Provided	1	-
	<u>7,410</u>	<u>12,659</u>

7 DIVIDENDS

	<u>1996</u>	<u>1995</u>
	£	£
Dividends on Ordinary Shares	<u>20,000</u>	<u>24,000</u>

KITCHEN WORLD LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31ST MARCH 1996**8 TANGIBLE FIXED ASSETS**

	Freehold Property	Motor Vehicles	Fixtures & Fittings	Total
	£	£	£	£
<u>Cost or Valuation</u>				
At 1 April 1995	17,930	1,650	9,696	29,276
Disposals	-	-	(952)	(952)
At 31 March 1996	<u>17,930</u>	<u>1,650</u>	<u>8,744</u>	<u>28,324</u>
<u>Depreciation</u>				
At 1 April 1995	1,794	826	3,287	5,907
Charge for the year	896	412	1,748	3,056
Depreciation on disposals	-	-	(380)	(380)
At 31 March 1996	<u>2,690</u>	<u>1,238</u>	<u>4,655</u>	<u>8,583</u>
<u>Net Book Amount</u>				
At 31 March 1996	<u>15,240</u>	<u>412</u>	<u>4,089</u>	<u>19,741</u>
At 31 March 1995	<u>16,136</u>	<u>824</u>	<u>6,409</u>	<u>23,369</u>

9 STOCKS

	<u>1996</u>	<u>1995</u>
	£	£
Raw Materials and Consumables	5,534	4,468
Work in Progress	7,447	5,011
	<u>12,981</u>	<u>9,479</u>

10 DEBTORS

	<u>1996</u>	<u>1995</u>
	£	£
Trade debtors	15,738	3,258
Other debtors	2,022	1,939
	<u>17,760</u>	<u>5,197</u>

11 CREDITORS: Amounts falling due within one year

	<u>1996</u>	<u>1995</u>
	£	£
Trade creditors	17,135	16,909
Corporation tax	2,409	8,020
ACT payable	5,000	-
Other taxation and social security	8,883	3,707
Other creditors	22,414	13,562
Bank loans and overdrafts	19,840	-
	<u>75,681</u>	<u>42,198</u>

KITCHEN WORLD LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31ST MARCH 1996**12 SHARE CAPITAL**

	<u>1996</u>	<u>1995</u>
	£	£
Authorised:		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 per share	<u>2</u>	<u>2</u>

13 RESERVES

	<u>1996</u>	<u>1995</u>
	£	£
Revenue Reserves brought forward	20,349	6,473
Profit for the financial year	<u>340</u>	<u>13,876</u>
	<u>20,689</u>	<u>20,349</u>

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1996</u>	<u>1995</u>
	£	£
Profit for the financial year	20,340	37,876
Dividends	<u>(20,000)</u>	<u>(24,000)</u>
	<u>340</u>	<u>13,876</u>
Net addition to shareholders funds	340	13,876
Opening shareholders' funds	<u>20,351</u>	<u>6,475</u>
Closing shareholders' funds	<u>20,691</u>	<u>20,351</u>

KITCHEN WORLD LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST MARCH 1996**

	<u>1996</u>		<u>1995</u>	
	£	£	£	£
TURNOVER	-	227,764	-	285,806
COST OF SALES				
Opening Stock	4,468		6,163	
Opening Work in Progress	5,011		7,139	
Purchases	107,664		136,182	
Commission Payable	9,755		15,054	
Closing Stock	(5,534)		(4,468)	
Closing Work in Progress	(7,447)		(5,011)	
Sub Contractors	<u>21,963</u>		<u>17,668</u>	
		135,880		172,727
GROSS PROFIT		<u>91,884</u>		<u>113,079</u>
LESS OVERHEADS				
Motor Expenses	1,229		1,269	
Mileage	2,578		2,287	
Transport	-		200	
Secretarial Wages	3,020		2,960	
*Wages & NIC	14,393		14,036	
Directors Health Insurance	665		707	
Directors Remuneration	13,200		13,200	
Pension Scheme Contributions	3,600		2,300	
Printing & Stationery	602		465	
Advertising	6,420		6,240	
Subscriptions & Donations	42		40	
Sundry Expenses	487		304	
Bank Charges	543		483	
Tools & Consumables	297		504	
Cleaning and Laundry	74		62	
Legal & Professional	675		674	
Accountancy	2,965		2,985	
Rent & Rates	11,335		9,493	
Insurance	2,139		1,404	
Heat & Light	735		843	
Repairs & Renewals	433		344	
Repairs (Newcastle)	(1,934)		165	
Telephone	623		714	
Depreciation	3,060		3,249	
(Profit)/loss on disposal	572		-	
Bank Overdraft Interest	7		-	
Bank Interest	-		(1)	
Interest on Corporation Tax	-		53	
TOTAL EXPENSES		<u>67,760</u>		<u>64,980</u>
PROFIT BEFORE OTHER INCOME		<u>24,124</u>		<u>48,099</u>
OTHER INCOME				
Rents Receivable	2,564		1,706	
Bank Deposit Interest	878		730	
Interest Received	1		-	
Commission Received	<u>183</u>		<u>-</u>	
TOTAL OTHER INCOME		<u>3,626</u>		<u>2,436</u>
NET PROFIT		<u><u>27,750</u></u>		<u><u>50,535</u></u>