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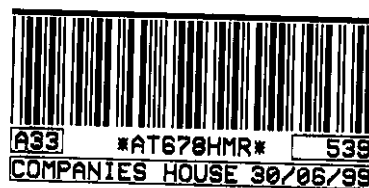
KITCHEN WORLD LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

183 FRONT STREET  
CHESTER LE STREET  
CO DURHAM DH3 3AX

ALAN HYND & COMPANY  
CHARTERED CERTIFIED ACCOUNTANTS  
REGISTERED AUDITOR



KITCHEN WORLD LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

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KITCHEN WORLD LIMITED

DIRECTORS AND OFFICERS

FOR THE YEAR ENDED 31ST MARCH 1999

DIRECTORS	P Robinson
SECRETARY	J Robinson
REGISTERED OFFICE	Unit E4 Abbey Road Industrial Estate Pity Me Co. Durham DH1 5HA
AUDITORS	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 LIMITED****REPORT OF THE DIRECTORS**

The directors present their annual report and the audited accounts for the year ended 31 March 1999

**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	
	At 31/03/99	At 31/03/98
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.

**AUDITORS**

A resolution to re-appoint Alan Hynd and Company, Certified Accountants, Registered Auditor will be proposed at the next Annual General Meeting.

The directors have taken advantage, in the preparation of their report, of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 17th June 1999  
and signed on their behalf by:



J Robinson  
Secretary

**KITCHEN WORLD LIMITED****REPORT OF THE AUDITORS TO THE SHAREHOLDERS**

We have audited the financial statements on pages 5 to 10, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 7.

**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 judgments 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. However, the evidence available to us was limited because we were appointed auditors of the company during the year and in consequence it was not possible for us to perform the auditing procedures necessary to obtain sufficient appropriate audit evidence as regards opening balances because the financial statements for the year ended 31 March 1998 were unaudited. Any adjustments to the opening balances would have a consequential effect on the profit for the year.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

KITCHEN WORLD LIMITED

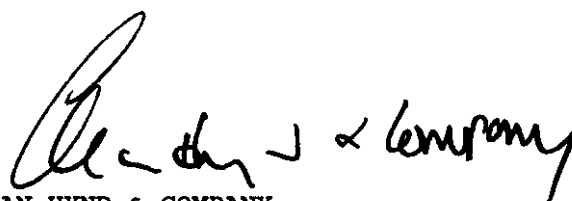
REPORT OF THE AUDITORS TO THE SHAREHOLDERS

**Qualified opinion arising from limitation in audit scope**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1999 and, except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning opening balances at 1 April 1998, of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to opening balances we have not been obtained all the information and explanations that we considered necessary for the purpose of the audit.

183 FRONT STREET  
CHESTER LE STREET  
CO DURHAM DH3 3AX

  
ALAN HYND & COMPANY  
CERTIFIED ACCOUNTANTS  
REGISTERED AUDITOR

17th June 1999

KITCHEN WORLD LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST MARCH 1999

		<u>1999</u>	<u>1998</u>
	Note	£	£
<b>TURNOVER</b>	2	381,812	323,989
Cost of Sales		(238,000)	(197,646)
<b>GROSS PROFIT</b>		143,812	126,343
Administrative Expenses		(88,044)	(91,521)
<b>OPERATING PROFIT</b>	3	55,768	34,822
Other Income	4	<u>3,912</u>	<u>5,781</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		59,680	40,603
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	5	<u>(11,028)</u>	<u>(8,766)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		48,652	31,837
Dividends	6	<u>(25,000)</u>	<u>(25,000)</u>
<b>RETAINED PROFIT FOR THE YEAR</b>		23,652	6,837
<b>RETAINED PROFIT BROUGHT FORWARD</b>		<u>29,859</u>	<u>23,022</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>53,511</u>	<u>29,859</u>

The notes on pages 7 to 10 form part of these financial statements.

KITCHEN WORLD LIMITEDBALANCE SHEET AT 31 MARCH 1999

		<u>1999</u>	<u>1998</u>
	Note	£	£
<b>FIXED ASSETS</b>			
Tangible Assets	7	10,982	23,494
<b>CURRENT ASSETS</b>			
Stocks	8	11,689	9,463
Debtors	9	26,541	10,765
Cash at Bank and in Hand		<u>76,065</u>	<u>34,554</u>
		114,295	54,782
<b>CREDITORS</b>			
Amounts falling due			
within one year	10	<u>71,764</u>	<u>48,415</u>
<b>NET CURRENT ASSETS</b>		<u>42,531</u>	<u>6,367</u>
		<u>53,513</u>	<u>29,861</u>
<b>CAPITAL &amp; RESERVES</b>			
Called up share capital	11	2	2
Profit and loss account	12	<u>53,511</u>	<u>29,859</u>
		<u>53,513</u>	<u>29,861</u>

The notes on pages 7 to 10 form part of these financial statements.

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

Approved by the board on 17th June 1999  
and signed on their behalf.



P Robinson

KITCHEN WORLD LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MARCH 1999**1 ACCOUNTING POLICIES**Basis of accounting

The accounts have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities.

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>1999</u>	<u>1998</u>
	£	£
Depreciation	3,291	4,561
(Profit)/loss on disposal	(10,957)	· 66
Directors remuneration	13,652	13,652
Directors pension	3,500	3,500
Auditors' remuneration	<u>1,050</u>	<u>-</u>

KITCHEN WORLD LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31ST MARCH 1999**4 OTHER INCOME**

	<u>1999</u>	<u>1998</u>
	£	£
Rents Receivable	271	3,248
Bank Deposit Interest	2,641	1,335
Commission Received	-	198
Grant	1,000	1,000
	<u>3,912</u>	<u>5,781</u>

**5 TAX ON PROFIT ON ORDINARY ACTIVITIES**

	<u>1999</u>	<u>1998</u>
	£	£
Corporation tax at 21% (1997 21%)	<u>11,028</u>	<u>8,766</u>

**6 DIVIDENDS**

	<u>1999</u>	<u>1998</u>
	£	£
Dividends on Ordinary Shares	<u>25,000</u>	<u>25,000</u>

**7 TANGIBLE FIXED ASSETS**

	<u>Freehold Property</u>	<u>Leasehold Prop Impr</u>	<u>Motor Vehicles</u>	<u>Fixtures &amp; Fittings</u>	<u>Total</u>
	£	£	£	£	£
<u>Cost or Valuation</u>					
At 1 April 1998	17,930	4,918	2,645	15,190	40,683
Additions	-	-	1,800	3,490	5,290
Disposals	(17,930)	-	(995)	(950)	(19,875)
At 31 March 1999	<u>-</u>	<u>4,918</u>	<u>3,450</u>	<u>17,730</u>	<u>26,098</u>
<u>Depreciation</u>					
At 1 April 1998	4,485	756	2,150	9,798	17,189
Charge for the year	-	378	450	2,463	3,291
Depreciation on disposals	(4,485)	-	(500)	(379)	(5,364)
At 31 March 1999	<u>-</u>	<u>1,134</u>	<u>2,100</u>	<u>11,882</u>	<u>15,116</u>
<u>Net Book Amount</u>					
At 31 March 1999	<u>-</u>	<u>3,784</u>	<u>1,350</u>	<u>5,848</u>	<u>10,982</u>
At 31 March 1998	<u>13,445</u>	<u>4,162</u>	<u>495</u>	<u>5,392</u>	<u>23,494</u>

KITCHEN WORLD LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31ST MARCH 1999**8 STOCKS**

	<u>1999</u>	<u>1998</u>
	£	£
Raw Materials and Consumables	6,335	7,069
Work in Progress	5,354	2,394
	<u>11,689</u>	<u>9,463</u>

**9 DEBTORS**

	<u>1999</u>	<u>1998</u>
	£	£
Trade debtors	23,829	8,408
Other debtors	2,712	2,357
	<u>26,541</u>	<u>10,765</u>

**10 CREDITORS: Amounts falling due within one year**

	<u>1999</u>	<u>1998</u>
	£	£
Trade creditors	19,241	10,567
Corporation tax	4,778	2,516
Other taxation and social security	4,234	3,453
Other creditors	17,331	11,151
Bank loans and overdrafts	26,180	20,728
	<u>71,764</u>	<u>48,415</u>

**11 SHARE CAPITAL**

	<u>1999</u>	<u>1998</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>

KITCHEN WORLD LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31ST MARCH 1999**12 RESERVES**

	<u>1999</u>	<u>1998</u>
	£	£
Revenue Reserves brought forward	29,859	23,022
Profit for the financial year	<u>23,652</u>	<u>6,837</u>
	<u>53,511</u>	<u>29,859</u>

**13 PENSION SCHEME**

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £3,500 (1998 £3,500).