

UTOPIA FURNITURE LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004



Ormerod Rutter Limited
Registered Auditor
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

UTOPIA FURNITURE LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004**

	Page
Company Information	1
Report of the Directors	2 to 4
Report of the Independent Auditors	5
Profit and Loss Account	6
Balance Sheet	7
<i>Notes to the Financial Statements</i>	8 to 14
Trading and Profit and Loss Account	15 to 16

UTOPIA FURNITURE LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30TH JUNE 2004

DIRECTORS:

Mr D W Conn
Mr I W Hall
Mr M A Heap
Mrs E B Green
Miss A Shepherd
Mr B Spooner

SECRETARY:

Mr I W Hall

REGISTERED OFFICE:

Utopia House
Springvale Avenue
Springvale Business Park
Bilston
Wolverhampton
WV14 OQL

REGISTERED NUMBER:

2826071 (England and Wales)

AUDITORS:

Ormerod Rutter Limited
Registered Auditor
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

BANKERS:

The Royal Bank of Scotland plc
Birmingham Colmore Row Branch
79 / 83 Colmore Row
Birmingham
B3 2AP

UTOPIA FURNITURE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2004

The directors present their report with the financial statements of the company for the year ended 30th June 2004.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was the manufacture of bathroom furniture and the supply of associated accessories.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The directors are particularly pleased with the continued growth of the company this year and its dominance yet again of its market sector, resulting in strong profit performance for the year.

The company has followed its core policy of re-investing profits into high-tech advanced machinery and equipment together with highly skilled personnel crucial to its continued expansion programme and profitability objectives.

Furthermore the company has now successfully completed the development of its UTWO facility, a state of the art warehouse linked to the main distribution and manufacturing facilities by fibre optic cabling. This additional capacity will enable the company to meet its customer demands and ensure its production and distribution objectives for the future.

The company is truly aware of the need to develop new product lines and is planning on expanding its sanitaryware, brassware and accessory lines. The launch of the Utopia Product Magazine is part of a new marketing initiative.

KBB Exhibition 2004 proved to be a resounding success for the company with record number of visitors to the stand. The achievement of being awarded best display within its sector for the company identifies Utopia as being a brand leader in the bathroom furniture industry.

The results for the year and the financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No interim dividends were paid during the year ended 30th June 2004.

The directors recommend final dividends per share as follows:

Ordinary 'A' £1 shares	£5
Ordinary 'B' £1 shares	NIL

The total distribution of dividends for the year ended 30th June 2004 will be £100,000.

The directors propose that the retained profits of £2,413,620 (2003 - £1,848,738 profit) be added to reserves.

FIXED ASSETS

Changes in fixed assets during the year are set out in the notes to the financial statements.

RESEARCH AND DEVELOPMENT

The company is continuing to develop and advance its own bespoke computer software system to further enhance the company's performance in the future.

UTOPIA FURNITURE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2004

DIRECTORS

The directors during the year under review were:

Mr D W Conn	
Mr I W Hall	
Mr M A Heap	
Mrs E B Green	
Miss A Shepherd	
Mr B Spooner	- appointed 24.10.03

The beneficial interests of the directors holding office on 30th June 2004 in the issued share capital of the company were as follows:

	30.6.04	1.7.03 or date of appointment if later
Ordinary 'A' £1 shares		
Mr D W Conn	-	-
Mr I W Hall	-	-
Mr M A Heap	-	-
Mrs E B Green	-	-
Miss A Shepherd	-	-
Mr B Spooner	-	-
Ordinary 'B' £1 shares		
Mr D W Conn	1,500	1,500
Mr I W Hall	1,500	1,500
Mr M A Heap	-	-
Mrs E B Green	-	-
Miss A Shepherd	-	-
Mr B Spooner	-	-

The ordinary 'A' share capital of the company is owned by Utopia Group Limited, its ultimate holding company. The interests of the directors in the issued share capital of the holding company are disclosed in that company's financial statements.

EMPLOYEES

The company continues to encourage employees to bring forward any ideas to further enhance the capabilities of the company's performance.

The company adopts a policy of training its employees to ensure production and company efficiency.

DISABLED EMPLOYEES

The company gives full consideration to the applications for employment by disabled persons.

UTOPIA FURNITURE LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30TH JUNE 2004**

STATEMENT OF 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

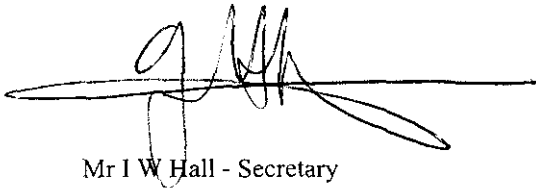
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare 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.

AUDITORS

The auditors, *Ormerod Rutter Limited*, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'I W Hall', is written over a horizontal line. The signature is stylized with loops and a long horizontal stroke extending to the left.

Mr I W Hall - Secretary

1st December 2004

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
UTOPIA FURNITURE LIMITED**

We have audited the financial statements of Utopia Furniture Limited for the year ended 30th June 2004 on pages six to fourteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

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 directors and auditors

As described on pages three and four the company's directors are responsible for the preparation of 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 Report of the Directors 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 Report of the Directors 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 30th June 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ormerod Rutter Limited
Registered Auditor
The Oakley
Kidderminster Road
Droitwich
Worcestershire
WR9 9AY

1st December 2004

UTOPIA FURNITURE LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2004**

	Notes	2004 £	2003 £
TURNOVER	2	17,047,257	15,116,103
Cost of sales		7,993,835	7,163,094
GROSS PROFIT		9,053,422	7,953,009
Administrative expenses		5,497,626	5,047,227
		3,555,796	2,905,782
Other operating income		3,000	103,233
OPERATING PROFIT	4	3,558,796	3,009,015
Interest receivable and similar income		953	8,417
		3,559,749	3,017,432
Interest payable and similar charges	5	50,567	48,475
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,509,182	2,968,957
Tax on profit on ordinary activities	6	995,562	853,376
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		2,513,620	2,115,581
Dividends	7	100,000	266,843
RETAINED PROFIT FOR THE YEAR		2,413,620	1,848,738

CONTINUING OPERATIONS

The company has made no acquisitions nor discontinued operations within the meaning of Financial Reporting Standard 3 during 2004 or 2003 therefore turnover and operating profit derive entirely from continued operations.

The annexed notes form part of these financial statements.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

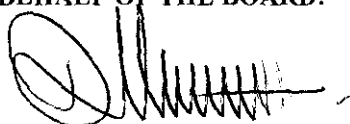
The notes form part of these financial statements

UTOPIA FURNITURE LIMITED

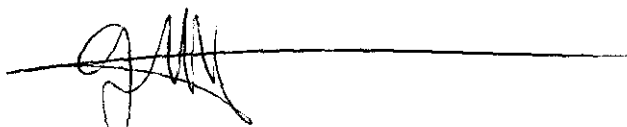
**BALANCE SHEET
30TH JUNE 2004**

	Notes	2004 £	2003 £
FIXED ASSETS			
Tangible assets	8	2,362,093	2,409,148
CURRENT ASSETS			
Stocks	9	1,009,137	868,686
Debtors	10	6,413,982	7,539,853
Cash at bank and in hand		4,030,612	231,876
		<u>11,453,731</u>	<u>8,640,415</u>
CREDITORS			
Amounts falling due within one year	11	3,177,289	2,681,542
NET CURRENT ASSETS		<u>8,276,442</u>	<u>5,958,873</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,638,535</u>	<u>8,368,021</u>
CREDITORS			
Amounts falling due after more than one year	12	(172,343)	(242,410)
PROVISIONS FOR LIABILITIES AND CHARGES	14	(102,713)	(175,752)
		<u>10,363,479</u>	<u>7,949,859</u>
CAPITAL AND RESERVES			
Called up share capital	15	23,000	23,000
Profit and loss account	16	10,340,479	7,926,859
SHAREHOLDERS' FUNDS	22	<u>10,363,479</u>	<u>7,949,859</u>

ON BEHALF OF THE BOARD:



Mr D W Conn - Director



Mr I W Hall - Director

Approved by the Board on 1st December 2004

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 2004

1. ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report and which is continuing and in accordance with applicable accounting standards. There were no material departures from these standards.

Advantage has been taken of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 Paragraph 12(b) on the grounds that consolidated financial statements in which the company and group are included are publicly available.

Turnover

Turnover is attributable solely to continuing operations and derives from one activity that of the manufacture of bathroom furniture and associated accessories.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 20% on cost
Motor vehicles	- 25% on cost
Information technology equipment and fixtures and fittings	- at varying rates

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation purposes, using the full provision method.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 paid under operating leases are charged to the profit and loss account on straight line basis over the term of the lease.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

Turnover is derived wholly within the UK.

UTOPIA FURNITURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2004**

3. STAFF COSTS

	2004	2003
	£	£
Wages and salaries	3,835,947	3,380,806
Social security costs	324,944	269,658
Other pension costs	70,859	57,396
	<u>4,231,750</u>	<u>3,707,860</u>

The average monthly number of employees during the year was as follows:

	2004	2003
Administration	49	48
Works	151	140
	<u>200</u>	<u>188</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2004	2003
	£	£
Depreciation - owned assets	699,798	770,437
Depreciation - assets on hire purchase contracts	225,592	265,322
Profit on disposal of fixed assets	(15,341)	(3,362)
Auditors remuneration	16,000	24,096
Auditors' remuneration for non audit work	10,305	6,500
Hire of plant and machinery - operating leases	204,555	178,643
Hire of other assets - operating leases	71,466	69,759
	<u>329,110</u>	<u>150,774</u>
Directors' emoluments	329,110	150,774
Directors' pension contributions to money purchase schemes	45,525	31,068
	<u>45,525</u>	<u>31,068</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2004	2003
Money purchase schemes	6	4
	<u>6</u>	<u>4</u>

Information regarding the highest paid director for the year ended 30th June 2004 is as follows:

	2004
	£
Emoluments etc	110,383
Pension contributions to money purchase schemes	12,850
	<u>123,233</u>

UTOPIA FURNITURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2004**

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2004	2003
	£	£
Bank interest	744	-
Hire purchase interest	49,823	48,475
	<u>50,567</u>	<u>48,475</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2004	2003
	£	£
Current tax:		
UK corporation tax	1,068,602	980,952
Deferred tax	(73,040)	(127,576)
Tax on profit on ordinary activities	<u>995,562</u>	<u>853,376</u>

UK corporation tax has been charged at 30% (2003 - 30%).

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2004	2003
	£	£
Profit on ordinary activities before tax	<u>3,509,182</u>	<u>2,968,957</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2003 - 30%)	1,052,755	890,687
Effects of:		
Expenses not deductible for tax purposes	4,378	7,475
Capital allowances in excess of depreciation	77,783	127,436
Group relief	(66,314)	(44,646)
Current tax charge	<u>1,068,602</u>	<u>980,952</u>

7. DIVIDENDS

	2004	2003
	£	£
Equity shares:		
Ordinary 'A' shares of £1 each		
Final	<u>100,000</u>	<u>266,843</u>
	<u>100,000</u>	<u>266,843</u>

UTOPIA FURNITURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2004**

8. TANGIBLE FIXED ASSETS

	Plant and machinery £	Motor vehicles £	Information technology equipment and fixtures £	Totals £
COST				
At 1st July 2003	4,388,841	64,500	715,446	5,168,787
Additions	600,220	78,446	236,329	914,995
Disposals	(113,000)	(12,750)	-	(125,750)
At 30th June 2004	4,876,061	130,196	951,775	5,958,032
DEPRECIATION				
At 1st July 2003	2,149,125	34,789	575,726	2,759,640
Charge for year	777,768	20,117	127,505	925,390
Eliminated on disposal	(83,174)	(5,917)	-	(89,091)
At 30th June 2004	2,843,719	48,989	703,231	3,595,939
NET BOOK VALUE				
At 30th June 2004	2,032,342	81,207	248,544	2,362,093
At 30th June 2003	2,239,716	29,711	139,720	2,409,147

The net book value of tangible fixed assets includes £613,530 (2003 - £620,122) in respect of assets held under hire purchase contracts.

9. STOCKS

	2004 £	2003 £
Raw materials	713,278	615,732
Work-in-progress	295,859	252,954
	1,009,137	868,686

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Trade debtors	2,750,174	2,185,254
Amounts owed by group undertakings	3,298,058	3,157,086
Amounts owed by participating interests	31,432	1,920,729
Other debtors	400	400
Prepayments and accrued income	333,918	276,384
	6,413,982	7,539,853

UTOPIA FURNITURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2004**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Hire purchase contracts (see note 13)	211,380	226,883
Trade creditors	1,626,672	1,331,801
Corporation tax payable	568,602	365,952
Social security and other taxes	433,162	476,726
Other creditors	203	18,240
Directors' loan accounts	168,175	85,964
Accruals and deferred income	169,095	175,976
	<u>3,177,289</u>	<u>2,681,542</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2004	2003
	£	£
Hire purchase contracts (see note 13)	<u>172,343</u>	<u>242,410</u>

13. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	2004	2003
	£	£
Net obligations repayable:		
Within one year	211,380	226,883
Between one and five years	172,343	242,410
	<u>383,723</u>	<u>469,293</u>

The following operating lease payments are committed to be paid within one year:

	2004	2003
	£	£
Expiring:		
Within one year	55,126	13,601
Between one and five years	140,886	110,939
	<u>196,012</u>	<u>124,540</u>

14. PROVISION FOR LIABILITIES AND CHARGES

	2004	2003
	£	£
Deferred tax	<u>102,713</u>	<u>175,752</u>

UTOPIA FURNITURE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30TH JUNE 2004**

14. PROVISION FOR LIABILITIES AND CHARGES - continued

	Deferred tax £
Balance at 1st July 2003	175,752
Utilised for the year	(73,039)
Balance at 30th June 2004	<u>102,713</u>

15. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	2004	2003
Number:	Class:		£	£
40,000	Ordinary 'A'	£1	40,000	40,000
10,000	Ordinary 'B'	£1	10,000	10,000
			<u>50,000</u>	<u>50,000</u>

Allotted, issued and fully paid:		Nominal value:	2004	2003
Number:	Class:		£	£
20,000	Ordinary 'A'	£1	20,000	20,000
3,000	Ordinary 'B'	£1	3,000	3,000
			<u>23,000</u>	<u>23,000</u>

16. RESERVES

	Profit and loss account £
At 1st July 2003	7,926,859
Retained profit for the year	2,413,620
At 30th June 2004	<u>10,340,479</u>

17. PENSION COMMITMENTS

The company operates a defined contribution scheme for its directors. The assets of the scheme are held separately from those of the company in an independently administered fund. Pension contributions for the year amounted to £45,525 (2003 - £31,068). There were no prepaid or outstanding contributions at the year end.

18. ULTIMATE PARENT COMPANY

The directors consider that the holding company is Utopia Group Limited, a company registered in England and Wales.

UTOPIA FURNITURE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 30TH JUNE 2004

19. CONTINGENT LIABILITIES

Under the terms of a government grant for £200,000, Utopia Furniture Limited may be required to repay the grant to the government anything up to three years after payment of the final instalment, if a decision to repay the grant was made by the European Commission. The final instalment was paid on 31 August 2002.

A bank overdraft facility has been guaranteed by Utopia Group Limited, Utopia Furniture Limited, Dominion Plumbing Supplies Limited and Kidsville Limited. At 30th June 2004 the net amount outstanding on this facility amounted to £2,000,122.

At 30th June 2003 a bank loan facility existed, guaranteed by Utopia Group Limited, Utopia Furniture Limited, Dominion Plumbing Supplies Limited and Kidsville Limited. Amounts outstanding at 30th June 2003 were £2,075,000, which have been repaid during the current financial year.

20. CAPITAL COMMITMENTS

At the year end the company had no capital commitments authorised or contracted for.

21. RELATED PARTY DISCLOSURES

During the year, Mr I W Hall and Mr D W Conn had an interest in Newlyn Homes Limited and Idiom Design. Also during the year the company dealt with companies within the group - Dominion Plumbing Supplies Limited, Kidsville Limited and Utopia Group Limited. All transactions were undertaken under normal commercial trading terms. Balances outstanding at the year end were as follows:

	Balance Outstanding at 30th June 2004 £
Dominion Plumbing Supplies Limited	169,505
Utopia Group Limited	3,088,014
Kidsville Limited	40,539
Newlyn Homes Limited	15,003
Idiom Design	16,429

The aggregate of transactions amounted to £315,761 rent charges, £342,632 management charges, and £47,288 of dividend recharges.

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2004 £	2003 £
Profit for the financial year	2,513,620	2,115,581
Dividends	(100,000)	(266,843)
Net addition to shareholders' funds	2,413,620	1,848,738
Opening shareholders' funds	7,949,859	6,101,121
Closing shareholders' funds	10,363,479	7,949,859
 Equity interests	 <u>10,363,479</u>	 <u>7,949,859</u>

UTOPIA FURNITURE LIMITED

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2004**

	2004		2003	
	£	£	£	£
Sales		17,047,257		15,116,103
Cost of sales				
Purchases	4,547,158		4,095,005	
Wages	2,753,285		2,483,171	
Social security	240,644		193,800	
Carriage	452,748		391,118	
		<u>7,993,835</u>		<u>7,163,094</u>
GROSS PROFIT		9,053,422		7,953,009
Other income				
Rents received	3,000		3,233	
Government grant received	-		100,000	
Bank interest receivable	953		-	
Corporation tax interest	-		8,417	
		<u>3,953</u>		<u>111,650</u>
		9,057,375		8,064,659
Expenditure				
Rent, rates and insurance	713,490		644,855	
Heat, light and power	108,064		98,260	
Plant and equipment hire	21,070		15,111	
Directors' remuneration and NIC	294,698		141,191	
Directors' pension contributions	45,525		31,068	
Wages	787,964		756,444	
Social security	84,300		75,858	
Pensions	25,334		26,328	
Telephone and postage	110,769		97,476	
Printing and stationery	121,533		121,110	
Sales promotions and advertising	664,469		532,289	
Motor and travel expenses	105,387		114,277	
Vehicle leasing costs	71,466		69,759	
Repairs and renewals	95,427		61,144	
Machinery maintenance and consumables	246,786		245,686	
Computer software and maintenance	113,253		85,554	
Sundry expenses	71,033		73,118	
Training expenses	10,311		41,204	
Sales commission	395,988		371,214	
Group management and administration cost	342,632		302,737	
Legal and professional fees	81,026		35,200	
Auditors remuneration	16,000		24,096	
Auditors' remuneration for non audit work	10,305		6,500	
Depreciation of tangible fixed assets	925,390		1,035,759	
Profit/loss on sale of tangible fixed assets	(15,341)		(3,362)	
Entertainment	6,208		8,567	
Bad debts	23,973		15,476	
		<u>5,477,060</u>		<u>5,026,919</u>
Carried forward		3,580,315		3,037,740

This page does not form part of the statutory financial statements

UTOPIA FURNITURE LIMITED

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 2004**

	2004		2003	
	£	£	£	£
Brought forward		3,580,315		3,037,740
Finance costs				
Bank charges	20,566		20,308	
Bank interest	744		-	
Hire purchase interest	49,823		48,475	
		<u>71,133</u>		<u>68,783</u>
NET PROFIT		<u><u>3,509,182</u></u>		<u><u>2,968,957</u></u>

This page does not form part of the statutory financial statements