

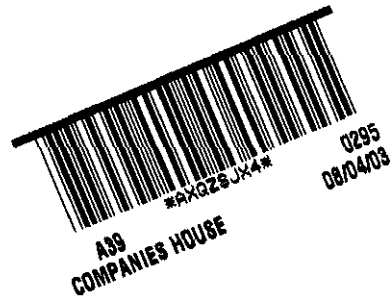
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**KITCHEN CONSULTANTS LIMITED**

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**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED  
31 DECEMBER 2002**



**KITCHEN CONSULTANTS LIMITED**

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**COMPANY INFORMATION**

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**DIRECTORS**

D A Fleming  
P R C Lambert  
D Roberts  
D Stewart

**SECRETARY**

P R C Lambert

**COMPANY NUMBER**

2860223

**REGISTERED OFFICE**

120 East Road  
Cambridge  
CB1 1DB

**AUDITORS**

Lakin Rose  
Chartered Accountants & Registered Auditors  
Enterprise House  
Vision Park  
Histon  
Cambridge  
CB4 9ZR

**KITCHEN CONSULTANTS LIMITED**

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**CONTENTS**

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	Page
<b>Directors' report</b>	1
<b>Auditors' report</b>	2
<b>Profit and loss account</b>	3
<b>Statement of total recognised gains and losses</b>	4
<b>Balance sheet</b>	5
<b>Cash flow statement</b>	6
<b>Notes to the abbreviated accounts</b>	7 - 15

# KITCHEN CONSULTANTS LIMITED

## DIRECTORS' REPORT For the year ended 31 December 2002

The directors present their report and the financial statements for the year ended 31 December 2002.

### 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;
- 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.

### PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company's principal activity continues to be that of design and installation of kitchen systems, furniture and appliances.

The directors are pleased to report a satisfactory trading performance for the year and are satisfied with the financial position at the year end.

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £112,868 (2001 - £83,744) .

The directors do not recommend the payment of a dividend.

### DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary shares of 1p each	
	<u>2002</u>	<u>2001</u>
D A Fleming	40,000	40,000
P R C Lambert	40,000	40,000
D Roberts	-	-
D Stewart	-	-

Details of the company's share option scheme are disclosed in note 5 of the financial statements.

### AUDITORS

The auditors, Lakin Rose, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 4 April 2003 and signed on its behalf.

  
P R C Lambert  
Secretary

## KITCHEN CONSULTANTS LIMITED

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### INDEPENDENT AUDITORS' REPORT TO KITCHEN CONSULTANTS LIMITED Under section 247B of the Companies Act 1985

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We have examined the abbreviated accounts of Kitchen Consultants Limited for the year ended 31 December 2002 set out on pages 3 to 15, together with the financial statements of the company for the year ended 31 December 2002 prepared under section 226 of the Companies Act 1985.

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 auditor's 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

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

#### BASIS OF AUDIT OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

#### OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 A(3) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 15 are properly prepared in accordance with those provisions.

*Lakin Rose,*

**Lakin Rose**

Chartered Accountants  
Registered Auditors

Enterprise House  
Vision Park  
Histon  
Cambridge  
CB4 9ZR

4 April 2003

**KITCHEN CONSULTANTS LIMITED**

**ABBREVIATED PROFIT AND LOSS ACCOUNT**  
For the year ended 31 December 2002

	Note	2002 £	2001 £
<b>GROSS PROFIT</b>		<b>1,681,591</b>	<b>1,459,944</b>
Selling and distribution costs		(625,879)	(577,913)
Administrative expenses		(911,351)	(773,004)
<b>OPERATING PROFIT</b>	2	<b>144,361</b>	<b>109,027</b>
Interest receivable		1,848	3,430
Interest payable	5	(1,814)	(2,953)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>144,395</b>	<b>109,504</b>
<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	6	<b>(31,527)</b>	<b>(25,760)</b>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>£ 112,868</b>	<b>£ 83,744</b>

All amounts relate to continuing operations.

The notes on pages 7 to 15 form part of these financial statements.

KITCHEN CONSULTANTS LIMITED

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STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES  
For the year ended 31 December 2002

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	2002 £	2001 £
PROFIT FOR THE FINANCIAL YEAR	112,868	83,744
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>£ 112,868</u>	<u>£ 83,744</u>

The notes on pages 7 to 15 form part of these financial statements.

KITCHEN CONSULTANTS LIMITED

ABBREVIATED BALANCE SHEET  
As at 31 December 2002

	Note	2002 £	2001 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	7	80,028	88,101
<b>CURRENT ASSETS</b>			
Stocks	8	292,762	382,603
Debtors	9	1,009,228	1,150,487
Cash at bank		150,487	218,868
		<u>1,452,477</u>	<u>1,751,958</u>
<b>CREDITORS:</b> amounts falling due within one year	10	<u>(901,874)</u>	<u>(1,323,405)</u>
<b>NET CURRENT ASSETS</b>		<u>550,603</u>	<u>428,553</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>630,631</u>	<u>516,654</u>
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>			
Deferred taxation	11	<u>(6,626)</u>	<u>(5,517)</u>
<b>NET ASSETS</b>		<u>£ 624,005</u>	<u>£ 511,137</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	800	800
Profit and loss account	13	623,205	510,337
<b>SHAREHOLDERS' FUNDS - All Equity</b>	14	<u>£ 624,005</u>	<u>£ 511,137</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to medium-sized companies, were approved by the board on 4 April 2003 and signed on its behalf.



**D Stewart**  
Director

The notes on pages 7 to 15 form part of these financial statements.



**KITCHEN CONSULTANTS LIMITED**

**ABBREVIATED CASH FLOW STATEMENT**  
For the year ended 31 December 2002

	Note	2002 £	2001 £
Net cash flow from operating activities	15	5,963	41,647
Returns on investments and servicing of finance	16	34	477
Taxation		(30,186)	(38,880)
Capital expenditure and financial investment	16	(32,505)	(30,772)
<b>CASH OUTFLOW BEFORE FINANCING</b>		<u>(56,694)</u>	<u>(27,528)</u>
Financing	16	(11,687)	(16,324)
<b>DECREASE IN CASH IN THE YEAR</b>		<u><u>£ (68,381)</u></u>	<u><u>£ (43,852)</u></u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS (NOTE 17)**  
For the year ended 31 December 2002

	2002 £	2001 £
Decrease in cash in the year	(68,381)	(43,852)
Cash outflow from decrease in debt and lease financing	11,687	16,324
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<u>(56,694)</u>	<u>(27,528)</u>
Net funds at 1 January 2002	207,181	234,709
<b>NET FUNDS AT 31 DECEMBER 2002</b>	<u><u>£ 150,487</u></u>	<u><u>£ 207,181</u></u>

The notes on pages 7 to 15 form part of these financial statements.

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NOTES TO THE ABBREVIATED ACCOUNTS  
For the year ended 31 December 2002

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**1. ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention.

**1.2 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold buildings	-	20%	straight line
Plant and equipment	-	25%	reducing balance

**1.3 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over 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.

**1.4 Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight line basis over the lease term.

**1.5 Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.6 Deferred taxation**

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

**1.7 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 ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

**1.8 Pensions**

The company pays pension contributions into personal pension schemes for the directors and staff and the pension charge represents contributions paid to those schemes during the year.

# KITCHEN CONSULTANTS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 December 2002

### 2. OPERATING PROFIT

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

	2002 £	2001 £
Depreciation of tangible fixed assets:		
- owned by the company	18,573	18,982
- held under finance leases	4,031	9,100
Auditors' remuneration	4,000	4,000
Operating lease rentals:		
- plant and machinery	48,267	43,403
- other operating leases	46,875	41,540
Difference on foreign exchange	(5,056)	(4,299)

### 3. STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2002 £	2001 £
Wages and salaries	723,785	606,573
Social security costs	89,270	69,598
Other pension costs	35,437	37,743
	<u>£ 848,492</u>	<u>£ 713,914</u>

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

2002 No.	2001 No.
21	19

### 4. DIRECTORS' REMUNERATION

	2002 £	2001 £
Emoluments	<u>£ 345,351</u>	<u>£ 262,240</u>
Company pension contributions to money purchase pension schemes	<u>£ 30,000</u>	<u>£ 30,000</u>

During the year retirement benefits were accruing to 3 directors (2001 - 3) in respect of money purchase pension schemes.

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 2002

**4. DIRECTORS' REMUNERATION (continued)**

The highest paid director received remuneration of £103,580 (2001 - £74,922).

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid director amounted to £6,000 (2001 - £12,000).

The following share options were granted on 19 February 2002 and were held by directors of the company:

	Shares under option	Date from which exercisable	Expiry date
D Stewart	8,000	19.2.2004	19.2.2012
D Roberts	8,000	19.2.2004	19.2.2012

**5. INTEREST PAYABLE**

	2002 £	2001 £
On bank loans and overdrafts	132	-
On finance leases and hire purchase contracts	1,682	2,424
Other interest payable	-	529
	<u>£ 1,814</u>	<u>£ 2,953</u>

**6. TAXATION**

	2002 £	2001 £
<b>Analysis of tax charge in year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax on profits of the year	30,418	22,685
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,385	3,075
Effect of decreased tax rate on opening liability	(276)	-
<b>Total deferred tax</b> (see note 11)	<u>1,109</u>	<u>3,075</u>
<b>Tax on profit on ordinary activities</b>	<u>£ 31,527</u>	<u>£ 25,760</u>

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 2002

**6. TAXATION (continued)****Factors affecting tax charge for year**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (19.246%). The differences are explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	<u>144,395</u>	<u>109,504</u>
Profit on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 19.246% (2001 - 20%)	27,790	21,901
<b>Effects of:</b>		
Expenses not deductible for tax purposes	4,029	3,379
Capital allowances for period in excess of depreciation	<u>(1,401)</u>	<u>(2,595)</u>
<b>Current tax charge for year</b> (see note above)	<u>£ 30,418</u>	<u>£ 22,685</u>

There were no factors that may affect future tax charges.

**7. TANGIBLE FIXED ASSETS**

	Short term leasehold land & buildings £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 January 2002	12,000	154,122	166,122
Additions	-	32,505	32,505
Disposals	-	(42,550)	(42,550)
At 31 December 2002	<u>12,000</u>	<u>144,077</u>	<u>156,077</u>
<b>Depreciation</b>			
At 1 January 2002	12,000	66,021	78,021
Charge for the year	-	22,604	22,604
On disposals	-	(24,576)	(24,576)
At 31 December 2002	<u>12,000</u>	<u>64,049</u>	<u>76,049</u>
<b>Net book value</b>			
At 31 December 2002	<u>£ -</u>	<u>£ 80,028</u>	<u>£ 80,028</u>
At 31 December 2001	<u>£ -</u>	<u>£ 88,101</u>	<u>£ 88,101</u>

# KITCHEN CONSULTANTS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS For the year ended 31 December 2002

### 7. TANGIBLE FIXED ASSETS (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2002 £	2001 £
Plant and machinery	-	3,257
Motor vehicles	4,547	27,299
	<u>£ 4,547</u>	<u>£ 30,556</u>

### 8. STOCKS

	2002 £	2001 £
Finished goods and goods for resale	<u>£ 292,762</u>	<u>£ 382,603</u>

### 9. DEBTORS

	2002 £	2001 £
<b>Due within one year</b>		
Trade debtors	904,731	1,027,245
Other debtors	78,287	93,776
Prepayments and accrued income	26,210	29,466
	<u>£ 1,009,228</u>	<u>£ 1,150,487</u>

Included within other debtors due within one year are loans to the following directors:

	2002 £	2001 £	Maximum amount outstanding
D Stewart	£30,000	£30,000	£30,000
DA Fleming	£10,000	£10,000	£10,000
PRC Lambert	£10,000	£10,000	£10,000

**KITCHEN CONSULTANTS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 2002

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

	2002	2001
	£	£
Payments received on account	49,232	63,465
Net obligations under finance leases and hire purchase contracts	-	11,687
Trade creditors	738,829	1,156,612
Corporation tax	30,418	30,185
Social security and other taxes	37,736	26,714
Other creditors	896	12,650
Accruals and deferred income	44,763	22,092
	<u>£ 901,874</u>	<u>£ 1,323,405</u>

**11. DEFERRED TAXATION**

	2002	2001
	£	£
At 1 January 2002	5,517	2,442
Charge for the year	1,109	3,075
	<u>£ 6,626</u>	<u>£ 5,517</u>

The deferred tax provision is made up as follows:

	2002	2001
	£	£
Accelerated capital allowances	6,626	5,517
	<u>£ 6,626</u>	<u>£ 5,517</u>

**12. SHARE CAPITAL**

	2002	2001
	£	£
<b>Authorised</b>		
125,000 Ordinary shares of 1p each	£ 1,250	£ 1,000
<b>Allotted, called up and fully paid</b>		
80,000 Ordinary shares of 1p each	£ 800	£ 800

On 19 February 2002, the company increased its authorised share capital from 100,000 ordinary 1p shares to 125,000 ordinary 1p shares.

**KITCHEN CONSULTANTS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 2002

**13. RESERVES**

<b>Profit and loss account</b>	<b>£</b>
At 1 January 2002	510,337
Profit retained for the year	112,868
	<u>          </u>
At 31 December 2002	<b>£ 623,205</b>
	<u>          </u>

**14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2002	2001
	£	£
Profit for the year	112,868	83,744
	<u>          </u>	<u>          </u>
	112,868	83,744
Opening shareholders' funds	511,137	427,393
	<u>          </u>	<u>          </u>
Closing shareholders' funds	<b>£ 624,005</b>	<b>£ 511,137</b>
	<u>          </u>	<u>          </u>

**15. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2002	2001
	£	£
Operating profit	144,361	109,027
Depreciation of tangible fixed assets	22,604	28,082
Loss on disposal of tangible fixed assets	17,974	6,018
Decrease/(increase) in stocks	89,841	(124,175)
Decrease/(increase) in debtors	141,260	(385,025)
(Decrease)/increase in creditors	(410,077)	407,720
	<u>          </u>	<u>          </u>
<b>NET CASH INFLOW FROM OPERATIONS</b>	<b>£ 5,963</b>	<b>£ 41,647</b>
	<u>          </u>	<u>          </u>

**16. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT**

	2002	2001
	£	£
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	1,848	3,430
Interest paid	(132)	(529)
Hire purchase interest	(1,682)	(2,424)
	<u>          </u>	<u>          </u>
<b>NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>	<b>£ 34</b>	<b>£ 477</b>
	<u>          </u>	<u>          </u>



**KITCHEN CONSULTANTS LIMITED**

**NOTES TO THE ABBREVIATED ACCOUNTS**  
For the year ended 31 December 2002

	2002 £	2001 £
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(32,505)	(38,223)
Sale of tangible fixed assets	-	7,451

<b>NET CASH OUTFLOW FROM CAPITAL EXPENDITURE</b>	<b>£ (32,505)</b>	<b>£ (30,772)</b>
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	2002 £	2001 £
<b>FINANCING</b>		
Principal payment under finance lease	£ (11,687)	£ (16,324)

**17. ANALYSIS OF CHANGES IN NET FUNDS**

	1 January 2002 £	Cash flow £	Other non-cash changes £	31 December 2002 £
Cash at bank and in hand:	218,868	(68,381)	-	150,487
<b>DEBT :</b>				
Finance leases	(11,687)	11,687	-	-
<b>NET FUNDS</b>	<b>£ 207,181</b>	<b>£ (56,694)</b>	<b>£ -</b>	<b>£ 150,487</b>

**18. PENSION COMMITMENTS**

The company contributes to a number of defined contribution pension schemes including the company stakeholder compliant scheme. The assets of these schemes are held separately from those of the company in independently administered funds. The total pension charge represents contributions payable by the company to these funds and amounts to £35,437 (2001 - £37,743) in the year.

KITCHEN CONSULTANTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
For the year ended 31 December 2002

19. OPERATING LEASE COMMITMENTS

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2002 £	2001 £	2002 £	2001 £
Expiry date:				
Between 2 and 5 years	19,000	19,000	36,939	51,880
After more than 5 years	25,000	25,000	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>