

Fogarty Holdings Limited

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Registered Office
Havenside
Boston
Lincolnshire
PE21 0AH

Registered No. 04292372



Fogarty Holdings Limited

Group Information

Directors

Tim Lawrence	(Non-Executive Chairman)
John Szymkiw	(Managing)
Graeme Strachan	(Operations)
Gordon Sproul	(Sales & Marketing)
Barry Roe	(Finance)
Stewart MacDonald	(Logistics & Buying)

Bankers

Barclays Bank plc
1 Churchill Place
Canary Wharf
London
E14 5HP

Auditor

KPMG LLP
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Fogarty Holdings Limited

Report of the Directors

The Directors present their Report and the Accounts of the Group and Company for the year ended 30 September 2005.

BUSINESS REVIEW

The Company's principal business is that of Holding Company to Subsidiary Companies engaged in the manufacture and distribution of home furnishing products. The Group continues to develop its customer base and product range.

RESULTS

	2005	2004
	£000	£000
The results for the Group are set out in summary as follows: -		
Turnover	27,679	27,144
	<u> </u>	<u> </u>
Profit on ordinary activities after tax and before dividends	684	1,265
	<u> </u>	<u> </u>

DIRECTORS

The Directors of the Company who served during the year, together with their beneficial interests in the Share Capital of the Company were as follows:

	Ordinary Shares of £1.00	
	Each at 30 September	
	2005	2004
T W Lawrence	---	---
J Szymkiw	527	527
D G Strachan	527	527
J G Sproul	527	527
B S Roe	527	527
S G MacDonald	527	527

The Directors do not beneficially hold any shares in the subsidiary undertakings.

Fogarty Holdings Limited

Report of the Directors Continued

DIVIDENDS

	2005	2004
	£000	£000
Interim ordinary dividend declared and paid in the year.	---	2,003
Final ordinary dividend declared but not paid in the year	501	---
	<u>501</u>	<u>2,003</u>

FIXED ASSETS

Movements in fixed assets are set out in Note 8 to the Accounts.

BASIS OF ACCOUNTS PREPARATION

After making inquiries, the Directors have formed a judgment, at the time of approving the Accounts, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason the Directors have adopted the going concern basis in preparing the Accounts.

ACCOUNTING TREATMENT OF RETIREMENT BENEFITS

Fogarty Limited is the principal employer of a defined benefit Pension Scheme, the Scheme having closed in respect of future accruals of benefit on 30 April 2002. The Group has a policy of accounting for retirement benefits under the Statement of Standard Accounting Practice 24 'Accounting for Pension Costs'.

EMPLOYEES

The Group employs a small number of disabled people and will continue to do so wherever possible, through recruitment, by retention of persons who become disabled during service and by appropriate training, career development and promotion. The Group endeavours to keep all employees informed of the progress and development of the business.

Fogarty Holdings Limited seeks to ensure that all employees, job applicants and prospective job applicants, are afforded equality of job opportunity in all areas of employment.

The Group's Health & Safety Policy fully recognises the Group's responsibility for the health and safety of employees and members of the community in which they work.

The Group places considerable value on the involvement of its employees and has continued its practice of keeping them informed of matters affecting them as employees, and on various matters affecting the performance of the Group.

Fogarty Holdings Limited

Report of the Directors Continued

ENVIRONMENTAL POLICY

The Group is committed to adopting a responsible approach to environmental matters.

The Management of the Group seeks to minimise any adverse impact on the environment from all aspects of the Group's operations by means of environmentally sound disciplines, which take practical steps to control effectively or eliminate any known pollution risks, without entailing excessive cost. Specifically, capital expenditure is directed towards the replacement of hazardous materials with environmentally friendly alternatives and methods of minimising the environmental costs of disposal of toxic waste, the recycling of wood, the re-use of cardboard and paper products, and the reduction of energy consumption.

PAYMENTS TO SUPPLIERS

The Group agrees terms and conditions for its business transactions with suppliers. Payment is made on those terms subject to the terms and conditions being met by the supplier.

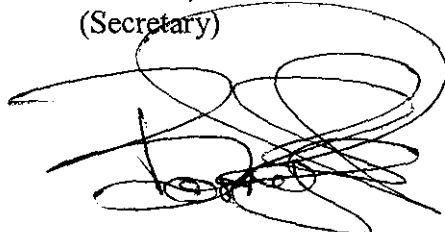
AUDITOR

A resolution proposing the re-appointment of KPMG LLP as auditor is to be proposed at the forthcoming Annual General Meeting.

By order of the Board:

B S Roe, A.C.A.

(Secretary)

A large, stylized handwritten signature in black ink, appearing to be 'B S Roe', written over the printed name and title.

Havenside
Boston, Lincolnshire

Date: 2 December 2005

Fogarty Holdings Limited

Statement of Directors' Responsibilities

Company Law requires the Directors to prepare Accounts for each financial year which give a true and fair view of the state of affairs of the Company and the Group, and of the profit or loss for that year. In preparing those Accounts, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Accounts;
- prepare the Accounts on a going concern basis unless it is inappropriate to presume that the Company and the Group 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 the Group, and to enable them to ensure that the Accounts comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets to prevent and detect fraud and other irregularities.

Fogarty Holdings Limited

Independent Auditor's Report to the Members of Fogarty Holdings Limited

We have audited the Accounts on pages 8 to 30.

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 Directors' Report and, as described on page 5, the Accounts in accordance with applicable United Kingdom Law and Accounting Standards. Our responsibilities, as independent Auditors, are established in the United Kingdom by statute, the Auditing Practices Board, and by our profession's ethical guidance.

We report to you our opinion as to whether the Accounts 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 Directors' Report is not consistent with the Accounts, if the Group 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 Group is not disclosed.

BASIS OF AUDIT 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 Accounts. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the Accounts, and of whether the accounting policies are appropriate to the Group'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 Accounts are free from material mis-statement, 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 Accounts.

Fogarty Holdings Limited

**Independent Auditor's Report to the
Members of Fogarty Holdings Limited**

OPINION

In our opinion the Accounts give a true and fair view of the state of the Company and Group's affairs as at 30 September 2005 and of the profit of the Group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor
Nottingham

Date: 2 December 2005

Fogarty Holdings Limited

**Consolidated Profit and Loss Account
Year Ended 30 September 2005**

			53 Week Period Ended 30 September 2004 £000
	Notes	2005 £000	
Turnover	2	27,679	27,144
Cost of sales		(22,186)	(21,163)
Gross Profit		<u>5,493</u>	<u>5,981</u>
Distribution costs		(2,339)	(2,524)
Administrative expenses		(2,136)	(1,791)
Operating Profit	3	<u>1,018</u>	<u>1,666</u>
Interest payable and similar charges	5	(131)	(137)
Profit on ordinary activities before taxation	6	<u>887</u>	<u>1,529</u>
Tax on profit on ordinary activities	7	(203)	(264)
Profit on ordinary activities after taxation		<u>684</u>	<u>1,265</u>
Dividends		(501)	(2,003)
Profit/(Loss) for the financial year	16	<u><u>183</u></u>	<u><u>(738)</u></u>

In the current and preceding year the Group made no material acquisitions and had no discontinued operations.

Movements on reserves are set out in Notes 16 and 17 to the Accounts.

Fogarty Holdings Limited

**Consolidated Statement of Total
Recognised Gains and Losses
Year Ended 30 September 2005**

Statement of Total Recognised Gains and Losses:

	53 Week Period Ended 30 September	
	2005	2004
	£000	£000
Profit for the financial year (note 17)	684	1,265
Total recognised gains and losses	<hr/>	<hr/>
Relating to the year.	<u>684</u>	<u>1,265</u>

There is no difference between the reported profit on ordinary activities before taxation and the result derived on a historical cost basis.

Fogarty Holdings Limited

**Consolidated Balance Sheet
As at 30 September 2005**

		2005 £000	2005 £000	2004 £000	2004 £000
	Notes				
Fixed Assets					
Tangible assets	8		1,455		1,547
Current Assets					
Stocks	10	5,256		5,667	
Debtors	11	4,257		3,909	
Cash at bank and in hand		1,517		1,976	
		11,030		11,552	
Creditors:					
Amounts falling due within one year	12	(9,440)		(10,053)	
Net Current Assets			1,590		1,499
Total Assets Less Current Liabilities			3,045		3,046
Creditors:					
Amounts falling due after one year	12		(43)		(23)
Provisions for Liabilities and Charges	14		(171)		(375)
NET ASSETS			2,831		2,648
Capital and Reserves					
Called up share capital	15		3		3
Profit and Loss Account	16		2,828		2,645
EQUITY SHAREHOLDERS' FUNDS			2,831		2,648

Approved by the Board of Fogarty Holdings Limited
And signed on its behalf on 2 December 2005

John Szymkiw

Barry Roe

)
) Directors
)
)

Fogarty Holdings Limited

**Company Balance Sheet
As at 30 September 2005**

		2005 £000	2005 £000	2004 £000	2004 £000
	Notes				
Fixed Assets					
Investment in subsidiaries	9		257		257
Current Assets					
Debtors	11	241		75	
Cash at bank and in hand		403		483	
		<u>644</u>		<u>558</u>	
Creditors:					
Amounts falling due within one year	12	(539)		(558)	
Net Current Assets			<u>105</u>		<u>---</u>
Total Assets Less Current Liabilities			<u>362</u>		<u>257</u>
NET ASSETS			<u>362</u>		<u>257</u>
Capital and Reserves					
Called up share capital	15		3		3
Profit and Loss Account	16		359		254
EQUITY SHAREHOLDERS' FUNDS			<u>362</u>		<u>257</u>

Approved by the Board of Fogarty Holdings Limited
and signed on its behalf on 2 December 2005.

John Szymkiw

)
)
) Directors

Barry Roe

Fogarty Holdings Limited

**Consolidated Cash Flow Statement
Year Ended 30 September 2005**

			53 Week Period Ended 30 September	
	2005	2005	2004	2004
	£000	£000	£000	£000
Net cash (outflow)/inflow from operating activities (Note 23)		(60)		1,614
Returns on investments and servicing of finance				
Interest paid	(115)		(104)	
Interest element of finance lease and lease purchase rental payments	(16)		(33)	
Net cash outflow from returns on investments and servicing of finance		(131)		(137)
Taxation		(288)		(694)
Capital expenditure				
Purchase of tangible fixed assets	(265)		(145)	
Sale of tangible fixed assets	5		3,154	
Net cash (outflow)/ inflow from capital expenditure		(260)		3,009
Equity Dividends Paid		---		(2,003)
Net cash (outflow)/inflow before financing		(739)		1,789
Financing				
Capital element of finance lease and lease purchase rental payments	(154)		(220)	
Debenture loan repayment	---		(2,000)	
Transfer of asset purchase to finance lease	54		---	
Increase/(Decrease) in Invoice Discounting Advances	380		(115)	
Net cash inflow/(outflow) from financing		280		(2,335)
Decrease in cash in year (Note 23)		(459)		(546)

Fogarty Holdings Limited

**Consolidated Cash Flow Statement
Year Ended 30 September 2005**

		53 Week Period Ended 30 September
	2005	2004
	£000	£000
Reconciliation of net cash flow to movement in net debt		
Decrease in cash	(459)	(546)
Cash flow from debt, Lease Financing and Invoice Discounting	(280)	2,335
Change in net debt resulting from cash flows	<u>(739)</u>	<u>1,789</u>
(Increase)/Decrease in net debt	<u>(739)</u>	<u>1,789</u>
Net debt at start of year	(937)	(2,726)
	<u> </u>	<u> </u>
Net debt at 30 September (Note 23)	<u><u>(1,676)</u></u>	<u><u>(937)</u></u>

Fogarty Holdings Limited

**Notes to the Accounts
Year Ended 30 September 2005**

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's Accounts:

- (a) **Accounting convention:**
The Accounts are prepared under the historic cost convention, as modified by the revaluation of certain tangible fixed assets. The Accounts have been prepared in accordance with applicable accounting standards.
- (b) **Basis of Consolidation:**
The Consolidated Accounts incorporate the Accounts of Fogarty Holdings Limited and its subsidiaries for the year ended 30 September 2005.
- (c) **Goodwill:**
Goodwill (representing the fair value of the consideration and associated costs over the fair value of the separate net assets acquired) arising on consolidation is capitalised and written off over the shorter of 20 years or its estimated useful life, in equal annual instalments. Negative goodwill, where the fair value of assets acquired is less than the consideration and associated costs is recognised in the Profit and Loss Account in the years in which the non-monetary assets acquired are recovered, whether through depreciation or sale.
- (d) **Turnover:**
Turnover represents net sales from ordinary activities invoiced to customers, excluding sales-related taxes.
- (e) **Segmental analysis:**
The Directors are of the opinion that there is only one business segment.
- (f) **Stocks:**
Raw materials, work in progress and finished goods are valued at the lower of cost and net realisable value. Cost includes an appropriate proportion of production related overheads.

Fogarty Holdings Limited

Notes to the Accounts Continued
Year Ended 30 September 2005

(g) **Depreciation:**

Depreciation is provided, on a straight-line basis, to write down tangible fixed assets to their estimated residual values over their estimated useful lives, the principal annual depreciation rates used being:

Leasehold buildings	-	2% - 20%
Plant and equipment	-	5% - 33 ¹ / ₃ %

(h) **Taxation:**

The charge or credit for taxation is based on the results for the year as adjusted for disallowable items and the prevailing Corporation Tax rate. Deferred taxation is provided for using the full provision method in accordance with Financial Reporting Standard 19 'Deferred Taxation'. Deferred tax assets are recognised to the extent that the Directors regard them as recoverable.

(i) **Foreign currencies:**

Exchange differences arising from normal trading activities are included in the results on ordinary activities. Assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Balance Sheet date, or the contract rate when covered by a forward contract.

(j) **Leased assets:**

Assets held under finance lease arrangements are capitalised as tangible fixed assets. Obligations under such agreements are stated net of finance charges allocated to future years. The finance element of the lease instalments payable is taken to the profit and loss account over the year of the lease, and is calculated so that the annual rate of charge on the capital element outstanding is constant.

Expenditure on operating leases is charged to the Profit and Loss Account in the year in which it is incurred.

(k) **Product development:**

Expenditure on product development is charged to the Profit and Loss Account in the year in which it is incurred.

Fogarty Holdings Limited

Notes to the Accounts Continued Year Ended 30 September 2005

(1) Pension costs:

Fogarty Limited operated a final salary Pension Scheme, which continues to be externally administered. Pension costs are charged to the Profit and Loss Account systematically over the years benefiting from employees' services. Differences between amounts charged and Pension Scheme costs actually paid are recorded as provisions on the Balance Sheet (Note 14). The Scheme closed in respect of future benefits for employees on 30 April 2002.

2. ANALYSIS OF TRADING

Turnover by geographical market:	2005	2004
	£000	£000
United Kingdom	26,598	25,742
Export	1,081	1,402
	<u>27,679</u>	<u>27,144</u>

Turnover and profit before taxation relates wholly to the Group's principal activity.

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting):	2005	2004
	£000	£000
Depreciation		
- Owned Assets	318	177
- Leased Assets	31	168
Auditor's remuneration*		
- Audit Fees	34	37
- Non Audit Fees	23	26
Operating lease rentals	365	389
Loss/(Profit) on disposal of tangible fixed assets	3	(135)
	<u> </u>	<u> </u>

* Relates to both Group and Company

Fogarty Holdings Limited

**Notes to the Accounts Continued
Year Ended 30 September 2005**

4. EMPLOYEES' AND DIRECTORS' REMUNERATION

(a)	The average number of persons including Directors employed by the Group during the year was:	2005 Number	2004 Number
	Industrial	218	219
	Non-Industrial	102	107
		<u>320</u>	<u>326</u>
(b)	The aggregate remuneration of all employees comprised:	2005 £000	2004 £000
	Wages and salaries	5,793	5,708
	Social security costs	541	530
	Other pension costs	117	174
		<u>6,451</u>	<u>6,412</u>
(c)	Amounts paid in respect of the services of Directors comprised:	2005 £000	2004 £000
	Directors' emoluments	<u>527</u>	<u>536</u>
	Included in Directors' emoluments above are benefits in kind relating to the provision of motor vehicles and private health insurance.		
(d)	Emoluments (excluding pension Contributions) of:	2005 £000	2004 £000
	Highest paid Director	<u>107</u>	<u>107</u>
(e)	Five Executive Directors of the Company have benefits accrued under the Fogarty Limited defined benefit Pension Scheme, (2004: Five), which closed in respect of all future accruals of benefit in April 2002. No money purchase pension scheme is operated by the Company.		

The Company has no long-term incentive scheme for Directors and therefore no sums of money were paid to or receivable by, Directors under such schemes.

No increases have occurred in retirement benefits to Directors or past Directors in excess of the amounts to which they were entitled when the benefits became payable.

Fogarty Holdings Limited

Notes to the Accounts Continued
Year Ended 30 September 2005

- (f) Pension benefits accrued by the highest paid Director under the defined benefit pension scheme are: -

	2005	2004
	£000	£000
Pension benefit accrued	40	40
	<u> </u>	<u> </u>
Lump sum benefit accrued	45	45
	<u> </u>	<u> </u>

The lump sum benefit shown above is not additional to the pension stated but would result from commutation of part of that pension at rates advised by the Scheme Actuary.

5. INTEREST

Interest payable and similar charges:	2005	2004
	£000	£000
Interest paid on all other loans	115	104
Finance lease interest	16	33
	<u> </u>	<u> </u>
	131	137
	<u> </u>	<u> </u>

6. PROFIT ON ORDINARY ACTIVITIES FOR THE FINANCIAL YEAR

The amount of attributable profit for the year dealt with in the Accounts of the Company is £105,000 (2004: £87,000). The Company has not presented a separate Profit and Loss Account as permitted by Section 230 of the Companies Act 1985.

Fogarty Holdings Limited

Notes to the Accounts Continued
Year Ended 30 September 2005

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES		
	2005	2004
	£000	£000
(a) Analysis of charge/(credit) for the year		
Current tax:		
United Kingdom Corporation Tax on the profits of the year at 30% (2004: 30%)	186	475
Adjustments in respect of prior period	(63)	2
Total current tax	<u>123</u>	<u>477</u>
Deferred tax:		
Deferred tax charge/(credit)	80	(213)
Total deferred tax	<u>80</u>	<u>(213)</u>
Tax charge on profit on ordinary activities	<u>203</u>	<u>264</u>
	2005	2004
	£000	£000
(b) Factors affecting the tax charge for the current year. The current tax charge for the year is lower (2004: higher) than the standard rate of Corporation Tax in the United Kingdom 30% (2004: 30%). The differences are explained below:		
Current Tax Reconciliation:		
Profit on ordinary activities before tax	<u>887</u>	<u>1,529</u>
Profit on ordinary activities before taxation multiplied by the standard rate of Corporation Tax in the UK of 30% (2004: 30%)	266	459
Effects of : -		
Permanent differences	2	49
Excess of depreciation over capital allowances	14	159
Other timing differences	(85)	(68)
Reduction of Tax Liability due to small companies rate	(11)	(10)
Adjustment to tax charge in respect of prior year	(63)	2
Capital gains treatment of property	---	(114)
	<u>123</u>	<u>477</u>

Fogarty Holdings Limited

**Notes to the Accounts Continued
Year Ended 30 September 2005**

8. TANGIBLE FIXED ASSETS

(a) The movement in the year was as follows: -

	Additions to Leasehold Land & Buildings £000	Plant & Equip- ment £000	Total £000
Cost:			
At 1 October 2004	---	4,587	4,587
Additions	149	116	265
Disposals	---	(19)	(19)
At 30 September 2005	<u>149</u>	<u>4,684</u>	<u>4,833</u>
Depreciation:			
At 1 October 2004	---	3,040	3,040
Charge for the year	15	334	349
Disposals	---	(11)	(11)
At 30 September 2005	<u>15</u>	<u>3,363</u>	<u>3,378</u>
Net Book Value:			
At 30 September 2005	<u>134</u>	<u>1,321</u>	<u>1,455</u>
At 30 September 2004	<u>---</u>	<u>1,547</u>	<u>1,547</u>

All the tangible fixed assets relate to the Group, the Company having no tangible fixed assets.

Fogarty Holdings Limited

Notes to the Accounts Continued Year Ended 30 September 2005

	Group 2005 £000	Company 2005 £000	Group 2004 £000	Company 2004 £000
(b) Plant and equipment includes items held under finance leases and Lease Purchase Agreements:				
Cost as at 30 September	561	---	2,005	---
Accumulated Depreciation	(400)	---	(1,172)	---
Net book value at 30 September	<u>161</u>	<u>---</u>	<u>833</u>	<u>---</u>

The depreciation charge for the year was £30,618 (2004: £168,044)

9. FIXED ASSET INVESTMENTS

	Company 2005 £000	Company 2004 £000
Subsidiary Companies: -		
As at 1 October	257	257
Additions	---	---
At 30 September	<u>257</u>	<u>257</u>

Principal subsidiary undertakings are listed in Note 24 to the Accounts

10. STOCKS

	Group 2005 £000	Company 2005 £000	Group 2004 £000	Company 2004 £000
Raw materials and consumables	2,076	---	2,390	---
Work in progress	516	---	556	---
Finished goods and goods for resale	2,664	---	2,721	---
	<u>5,256</u>	<u>---</u>	<u>5,667</u>	<u>---</u>

At 30 September, goods with a value of £81,732 (2004: £562,953) were consigned to the Group on a C.I.F. basis, but were not received by the Group at that time. Consequently these goods have not been included in the stock value above, and the equivalent creditor has therefore not been reflected in the Accounts.

Fogarty Holdings Limited

Notes to the Accounts Continued Year Ended 30 September 2005

11. DEBTORS

	Group 2005 £000	Company 2005 £000	Group 2004 £000	Company 2004 £000
Trade debtors	3,790	---	3,677	---
Amounts owed by Group undertakings	---	241	---	75
Other debtors	3	---	2	---
Prepayments	464	---	230	---
	<u>4,257</u>	<u>241</u>	<u>3,909</u>	<u>75</u>

All debtors are due within one year.

12. CREDITORS

(a)	Group 2005 £000	Company 2005 £000	Group 2004 £000	Company 2004 £000
Amounts falling due within one year:				
Obligations under finance lease and lease purchase arrangements (Note 13)	22	---	142	---
Trade creditors	4,034	---	5,131	---
Amounts owed to Group undertakings	---	---	---	515
Bills of exchange payable	690	---	589	---
Corporation Tax	88	19	253	24
Other taxation and social security	191	19	344	19
Other creditors	3,281	---	2,945	---
Accruals and deferred income	633	---	649	---
Proposed dividend	501	501	---	---
	<u>9,440</u>	<u>539</u>	<u>10,053</u>	<u>558</u>

Group other creditors include £3,127,663 (2004: £2,747,888) relating to invoice discounting advances which are secured on the trade debts of the Group.

Fogarty Holdings Limited

Notes to the Accounts Continued
Year Ended 30 September 2005

(b)	Amounts falling due after more than one year:	Group	Company	Group	Company
		2005	2005	2004	2004
		£000	£000	£000	£000
	Obligations under finance lease and lease purchase arrangements (Note 13)	43	---	23	---
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

13. FINANCE LEASE AND LEASE PURCHASE COMMITMENTS

	Group	Company	Group	Company
	2005	2005	2004	2004
	£000	£000	£000	£000
Instalments due:				
Within one year	28	---	157	---
Between two and five years	51	---	28	---
	<u>79</u>	<u>---</u>	<u>185</u>	<u>---</u>
Less:				
Future finance charges	(14)	---	(20)	---
	<u>65</u>	<u>---</u>	<u>165</u>	<u>---</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

(a)	Group:	Deferred Tax	Pension Charge	Total
		£000	Provisions	Provisions
		£000	£000	£000
	As at 1 October 2004	10	(385)	(375)
	Cash payments	---	401	401
	Net charge to Profit and Loss Account	(80)	(117)	(197)
	As at 30 September 2005	<u>(70)</u>	<u>(101)</u>	<u>(171)</u>
		<u> </u>	<u> </u>	<u> </u>

Fogarty Holdings Limited

Notes to the Accounts Continued
Year Ended 30 September 2005

(b) Company:

	Deferred Tax	Pension Charge	Total
	£000	Provisions	Provisions
	£000	£000	£000
As at 1 October 2004	---	---	---
Net charge to Profit & Loss Account	---	---	---
As at 30 September 2005	---	---	---

Movement on Deferred Tax:

	Group	Company
	2005	2005
	£000	£000
As at 1 October 2004	(10)	---
Charge to Profit & Loss Account	80	---
As at 30 September 2005	70	---

	Group	Company
	2005	2005
	£000	£000
Difference between accumulated depreciation And capital allowances	101	---
Other timing differences	(31)	---
As at 30 September 2005	70	---

15. SHARE CAPITAL

	Group	Company
	2005	2004
	£	£
Authorised		
2,635 Ordinary Shares of £1.00 each	2,635	2,635
Issued and fully paid		
2,635 Ordinary Shares of £1.00 each	2,635	2,635

Fogarty Holdings Limited

Notes to the Accounts Continued
Year Ended 30 September 2005

16. STATEMENT OF UNAPPROPRIATED PROFITS

	Group	Company	Group	Company
	2005	2005	2004	2004
	£000	£000	£000	£000
As at 1 October	2,645	254	3,383	167
Profit/(Loss) for the financial year	183	105	(738)	87
Profit and Loss reserve	<u>2,828</u>	<u>359</u>	<u>2,645</u>	<u>254</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Group	Company	Group	Company
	2005	2005	2004	2004
	£000	£000	£000	£000
Profit for the financial year	684	106	1,265	90
Dividends - Receivable	---	500	---	2,000
- Payable	(501)	(501)	(2,003)	(2,003)
Net additions to/(deduction from) shareholders' funds	183	105	(738)	87
Opening shareholders' funds	2,648	257	3,386	170
Closing shareholders' funds	<u>2,831</u>	<u>362</u>	<u>2,648</u>	<u>257</u>

18. CAPITAL COMMITMENTS

Authorised future capital expenditure as at 30 September was as follows: -

	Group	Company	Group	Company
	2005	2005	2004	2004
	£000	£000	£000	£000
Contracted but not provided for in the financial statements	<u>197</u>	<u>---</u>	<u>207</u>	<u>---</u>

Notes to the Accounts Continued
Year Ended 30 September 2005

19. PENSION ARRANGEMENTS

Fogarty Limited operated a pension scheme providing benefits based on the final pensionable earnings. The Scheme is funded with the assets being held by the Trustees separately from the assets of the employer. The pension costs are assessed by an independent qualified Actuary, and are charged to the Profit and Loss Account so as to spread those costs over employees' working lives with the employer. Following the termination of pensionable service on 30 April 2002, benefits are determined based on final pensionable earnings as at that date.

The most recent valuation of the Scheme was carried out as at 1 May 2002, and the projected unit method was used. The Scheme's assets were valued at market value. The main assumptions used to determine the pension costs were rates of investment return of 7% per annum pre-retirement and 6% per annum post-retirement, pensionable earnings at actual values to closure of the Scheme in respect of future benefits on 30 April 2002 and nil thereafter. Pension increases were assumed at 2.5% per annum, representing the average annual level of future inflation, limited to a maximum of 5% in any year. At the valuation date, the market value of the assets of the Scheme was £13,537,000 approximately and represented 94% of the value of the benefits that had accrued to members, after allowing for expected future increases in earnings.

The pension cost for the employer for the financial year ended 30 September 2005 was £117,000 (2004: £174,000). Employer contributions into the Scheme during the year were £400,800, resulting in a provision for pension costs of £101,000 (2004: £385,000) in the employer's Balance Sheet as at 30 September 2005, arising from the accumulated difference between the contributions paid to the Scheme and the corresponding pension costs.

20. FINANCIAL REPORTING STANDARD 17 'RETIREMENT BENEFITS'

The valuation used for Financial Reporting Standard 17 disclosures has been based on the most recent Actuarial Valuation at 1 May 2002, and updated by a qualified independent actuary to take account of the requirements of Financial Reporting Standard 17 in order to assess their liabilities of the Scheme as at 30 September 2005. Scheme assets are stated at their market value at 30 September 2005.

Fogarty Holdings Limited

Notes to the Accounts Continued Year Ended 30 September 2005

- (a) The financial assumptions used to calculate the liabilities under Financial Reporting Standard 17 are: -

	2005	2004	2003
Valuation method	Projected Unit	Projected Unit	Projected Unit
Discount rate	5.1%	5.7%	5.9%
Inflation rate	2.5%	2.75%	2.75%
Increase to deferred benefits during deferment	2.5%	2.75%	2.75%
Increases to pensions in payment	2.5%	2.75%	2.75%
Salary increase	---	---	---

- (b) Assets in the Scheme and the expected rate of return were: -

	Long Term Rate of Return Expected at 30 September			Value at 30 September 2005 £000	Value at 30 September 2004 £000	Value at 30 September 2003 £000
	2005	2004	2003			
Equities	7.0%	7.5%	7.5%	7,109	5,692	4,930
Bonds	4.2%	4.8%	5.5%	8,835	8,163	7,958
	=====	=====	=====	-----	-----	-----
Total market value of assets				15,944	13,855	12,888
Present value of Scheme Liabilities				(21,122)	(17,624)	(16,586)
				-----	-----	-----
Deficit in the Scheme				(5,178)	(3,769)	(3,698)
Related deferred Tax Asset				1,553	1,131	1,109
				-----	-----	-----
Net Pension Liability				(3,625)	(2,638)	(2,589)
				=====	=====	=====

	Value at 30 September 2005 £000	Value At 30 September 2004 £000
(c) Net Assets:		
Net assets excluding Pension Liability	2,932	3,033
Pension Liability	(3,625)	(2,638)
	-----	-----
Net (Liabilities)/Assets including Pension Liability	(693)	395
	=====	=====

Fogarty Holdings Limited

Notes to the Accounts Continued
Year Ended 30 September 2005

	Value at 30 September 2005 £000	Value at 30 September 2004 £000
(d) Reserves:		
Profit and Loss reserve excluding Pension Liability	2,929	3,030
Pension Liability	(3,625)	(2,638)
	<hr/>	<hr/>
Profit and Loss reserve including Pension Liability	(696)	392
	<hr/>	<hr/>

21. CONTINGENT LIABILITIES

	Group 2005 £000	Company 2005 £000	Group 2004 £000	Company 2004 £000
Loan, overdraft and bank facility guarantees	120	3,248	120	2,748
Others	---	---	---	98
	<hr/>	<hr/>	<hr/>	<hr/>
	120	3,248	120	2,846
	<hr/>	<hr/>	<hr/>	<hr/>

22. ANNUAL OPERATING LEASE COMMITMENTS

	Group 2005 £000	Company 2005 £000	Group 2004 £000	Company 2004 £000
Operating leases relating to plant and equipment, which expire: -				
Within one year	62	---	151	---
Between two and five years	162	---	124	---
	<hr/>	<hr/>	<hr/>	<hr/>
	224	---	275	---
	<hr/>	<hr/>	<hr/>	<hr/>
Operating lease relating to land and buildings, which expires: -				
After five years	850	---	621	---
	<hr/>	<hr/>	<hr/>	<hr/>
	1,074	---	896	---
	<hr/>	<hr/>	<hr/>	<hr/>

Fogarty Holdings Limited

Notes to the Accounts Continued
Year Ended 30 September 2005

23. NOTES TO THE GROUP CASH FLOW STATEMENT

(a) Reconciliation of operating profit to net cash inflow from operating activities:

	2005	2004
	£000	£000
Operating profit	1,018	1,666
Depreciation charges	349	345
Loss/(Profit) on disposal of fixed assets	3	(135)
Decrease/(Increase) in stocks	411	(1,064)
Increase in debtors	(348)	(148)
(Decrease)/Increase in creditors	(1,493)	950
Net cash (outflow)/inflow from operating activities	<u>(60)</u>	<u>1,614</u>

(b) Reconciliation of cash flow to movement in net debt.

	At 1	Cash	Non-Cash	At 30
	October	Flow	Changes	September
	2004	£000	£000	2005
	£000			£000
Cash at Bank and in Hand	1,976	(459)	---	1,517
Lease Finance:				
Due within one year				
Due within one year	(142)	154	(34)	(22)
Due after more than one year	(23)	---	(20)	(43)
Invoice Discounting Advances:				
Due within one year	(2,748)	(380)	---	(3,128)
		<u>(226)</u>	<u>(54)</u>	
Total	<u>(937)</u>	<u>(685)</u>	<u>(54)</u>	<u>(1,676)</u>

Fogarty Holdings Limited

Notes to the Accounts Continued Year Ended 30 September 2005

24. INVESTMENT IN SUBSIDIARIES

As at 30 September 2005 the Company held the whole of the Issued Ordinary Share Capital of two subsidiaries, both incorporated in England and Wales.

<u>Name</u>	<u>Activities</u>
Fogarty Limited	Manufacture of soft home furnishing products
Fogarty (Filled Products) Limited	Procurement and Distribution of soft home furnishings and related raw materials

25. RELATED PARTY TRANSACTIONS

(a) Group

Rent of £351,000 was charged in the financial year in respect of the lease on the premises held by Fogarty (Filled Products) Limited, the rent being payable to Fogarty (Security Trustee) Limited, a Company in which the Directors' have a beneficial interest.

(b) Company

The Company has taken advantage of the exemption contained within Financial Reporting Standard 8, and has not disclosed transactions or balances with entities that form part of the Group. No other related party transactions were undertaken by the Company.