

**DAMASK FOR THE HOME LIMITED**  
*Company Registered in England No 04654143*

### Report of the Directors

The Director presents her report together with the financial statements of the company for the year ended 31 August 2006

### Incorporation

The company was incorporated on 31 January 2003

### Principal Activity

The principal activity of the company is the Design and Sale of household furnishings and clothes.

### Directors

The director in office during the year was Carolyn Dunn and her beneficial interest in the issued share capital was as follows:

	<u>31-Aug-06</u>	<u>31-Aug-05</u>
Ordinary Shares of 1 Pound each fully paid	<u>25000</u>	<u>25000</u>

### 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 and loss account of the company for the period. In preparing these 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
- follow applicable accounting standards, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

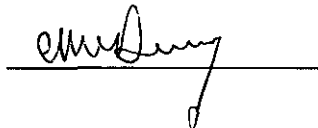
The Director is responsible for keeping proper books and accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable her to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing this report, the Director has taken advantage of special exemptions applicable to small companies.

Signed on behalf of the Board

Director

Approved by the Board on:



THURSDAY



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**DAMASK FOR THE HOME LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**Year Ended 31 August 2006**

			Year ended 31 August 2005
	Notes	£	£
Turnover	1 ( c )	54981	696785
Cost of Operations		125633	631372
Operating Income (Loss) for the period before tax		-70653	65413
Bank Interest Received		350	1961
Taxation		0	12429
Tax Refund Due		8928	0
Net income(Loss) for the period after taxation		-61375	54946
Dividend Distribution		0	16079
Amount transferred (From) to Reserves		<u>-61375</u>	<u>38867</u>

**Total recognised gains and losses**

The company has no recognised gains or losses for the above period other than those recorded in the profit and loss account.

**Note of historical gains and losses**

The difference between the results as disclosed in the profit and loss account and the result on an unmodified historical cost basis is not material.

**DAMASK FOR THE HOME LIMITED****BALANCE SHEET**

		As at 31 August 2006	As at 31 August 2005
	Notes	£	£
<b>Fixed Assets</b>	1 (d)	29515	11328
<b>Current Assets</b>			
Inventories	1 (e)	26179	10575
Debtors, Prepayments and Deposits	2	13628	9540
Cash and Bank Balances	3	15121	136585
<b>Creditors : Amounts falling due within 1 year</b>	4	57972	80183
<b>Creditors: Amounts falling due after one year</b>	5	0	0
<b>Net current assets</b>		-3044	76517
<b>Total assets less total liabilities</b>		<u>26471</u>	<u>87846</u>
<b>Capital and Reserves</b>			
Called up Share Capital	6	25000	25000
Retained Income		1471	62846
<b>Total Capital and Reserves</b>		<u>26471</u>	<u>87846</u>

In the opinion of the Director, the company is entitled to exemption under section 249A(1) of the Companies Act 1985 for the financial period.

The Director confirms that a notice under section 249B (2) of the Companies Act 1985 has not been deposited in relation to the financial statements for the financial period.

The Director acknowledge her responsibility for keeping proper accounting records, which comply with section 221 of the Companies Act 1985.

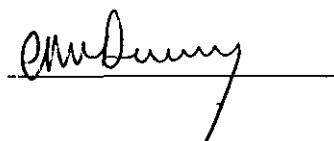
The Director acknowledge her responsibility for preparing financial statements which give a true and fair view of the state of the company's affairs and of the profit and loss account for the financial period then ended in accordance with the requirements of section 226, which otherwise comply with the requirements of the Companies Act 1985 so far as applicable to the company.

The financial statements have been prepared in accordance with special provisions of Part V11 of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standards for Smaller Entities.

Signed on behalf of the Board

Director

Dated



**DAMASK FOR THE HOME LIMITED**

*Company Registered in England No 04654143*

**Notes to the accounts**

**1 Accounting policies**

**a) Basis of accounting**

The accounts have been prepared under the historical cost convention

**b) Cash Flow**

The accounts do not include a cash flow statement because the company as a small company is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.

**c) Turnover**

Turnover represents the amount ( less value added tax) derived from the provision of services to customers during the period.

**d) Fixed assets and depreciation**

Depreciation is provided in order to write off the cost of fixed assets over their anticipated useful lives on a straight line basis. The rates used are as follows:-

Fixtures and Fittings	20%
Motor Vehicles	20%
IT Equipment	33%

**e) Inventory**

This is valued at CIF less prudent reserves for obsolescence.

<b>2</b>	<b>Debtors, Deposits and Prepayments</b>	<u>2006</u>	<u>2005</u>
	Trade Debtors	2000	9540
	Corporation Tax Refund Due	8928	0
	Rent Deposits	2700	0
	Total	<u>13628</u>	<u>9540</u>
<b>3</b>	<b>Cash and Bank Balances</b>	<u>2006</u>	<u>2005</u>
	Cash in Hand	150	465
	Cash at Bank	14971	136120
	Total	<u>15121</u>	<u>136585</u>

<b>4</b>	<b>Creditors: falling due within one year</b>	<u>2006</u>	<u>2005</u>
	Trade Creditors and Accruals	47582	58879
	Bank Overdrafts	0	0
	Vat Due	900	7765
	Payroll Taxes	1290	1280
	Directors Loan Account	8200	0
	Corporation Tax	0	12259
	<b>Total</b>	<u>57972</u>	<u>80183</u>

<b>5</b>	<b>Creditors: falling due after one year</b>	<u>2006</u>	<u>2005</u>
	Bank Loans	<u>0</u>	<u>0</u>

The Bank Loan and Overdrafts are secured over the Assets of the Company.

<b>6</b>	<b>Share Capital</b>	<u>2006</u>	<u>2005</u>
	Authorised - 50000 shares of one pound each	<u>50000</u>	<u>50000</u>
	Allotted, issued and fully paid	<u>25000</u>	<u>25000</u>

**7 Related party transactions**

- a) Carolyn Dunn owns and controls the Company and Damask (Kings Road ) Limited  
A service agreement is in place with this company to provide it with Management and Administrative support for which a charge is made.
- b) Carolyn Dunn has given the company's bankers a personal guarantee over the company's bank borrowings.

**8 Directors Emoluments**

The Director's total emoluments in respect of qualifying services in the year was:

	<u>2006</u>	<u>2005</u>
Total emoluments	<u>29100</u>	<u>26400</u>