

4654143

DAMASK FOR THE HOME LIMITED

**Accountant's report on the unaudited accounts to the Director of
Damask For The Home Limited**

As described on the balance sheet you are responsible for the preparation of the accounts for the period ended 31 August 2004 set out on pages 4.1,4.2, and 4.3 and you consider that the company is exempt from an audit and a report under section 249A(2) of the Companies Act 1985.In accordance with your instructions and in order to assist you to fulfill your statutory responsibilities, I have compiled these unaudited accounts from the books and records supplied to me and from the explanations given.

**A E Bridgman FCA
Chartered Accountant**

**12 Ferguson Close
Basingstoke
Hants
RG21 3JA**



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 2004

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-04</u>	<u>31-Aug-03</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:

8 August 2005

DAMASK FOR THE HOME LIMITED
PROFIT AND LOSS ACCOUNT
Year Ended 31 August 2004

			Year ended 31 August 2003
	Notes	£	£
Turnover	1 (c)	1161509	890798
Cost of Operations		1125191	905297
Operating Income (Loss) for the period before tax		36318	-14499
Contribution from Affiliated Company			49719
Taxation (credit)		0	0
Net income(Loss) for the period after taxation		36318	35220
Dividend Distribution		36090	10745
Amount transferred (From) to Reserves		<u>228</u>	<u>24475</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
2004

As at 31
August
2003

	Notes	£	£
Fixed Assets	1 (d)	12941	10956
Current Assets			
Inventories	1 (e)	107043	81832
Debtors, Prepayments and Deposits	2	84840	123419
Cash and Bank Balances	3	7170	1057
Creditors : Amounts falling due within 1 year	4	153361	136336
Creditors: Amounts falling due after one year	5	8930	31453
Net current assets		36762	38519
Total assets less total liabilities		<u>49703</u>	<u>49475</u>
Capital and Reserves	6		
Called up Share Capital		25000	25000
Retained Income		24703	24475
Total Capital and Reserves		<u>49703</u>	<u>49475</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 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

8 August 2005

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:-

Plant and Machinery	25%
Fixtures and Fittings	20%
Motor Vehicles	20%
IT Equipment	33%
Leasehold Fittings	33%

e) Inventory

This is valued at CIF less prudent reserves for obsolescence.

2	Debtors, Deposits and Prepayments	<u>2004</u>	<u>2003</u>
	Trade Debtors	83281	103990
	Rent Deposits	1559	19429
	Total	<u>84840</u>	<u>123419</u>
3	Cash and Bank Balances	<u>2004</u>	<u>2003</u>
	Cash in Hand	7170	1053
	Cash at Bank	0	4
	Total	<u>7170</u>	<u>1057</u>
4	Creditors: falling due within one year	<u>2004</u>	<u>2003</u>
	Trade Creditors	68231	42387
	Bank Overdrafts	65517	59832
	Taxes	19613	17359
	Total	<u>153361</u>	<u>119578</u>

5	Creditors: falling due after one year	<u>2004</u>	<u>2003</u>
	Bank Loans	<u>8930</u>	<u>48211</u>

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

6	Share Capital	<u>2004</u>	<u>2003</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>2004</u>	<u>2003</u>
Total emoluments	<u>26400</u>	<u>27374</u>