

Company Registration No 05965174 (England and Wales)

**INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2011**

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# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## COMPANY INFORMATION

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<b>Director</b>	Manna Seregina
<b>Secretary</b>	Solar Secretanes Limited
<b>Company number</b>	05965174
<b>Registered office</b>	Palladium House 1-4 Argyll Street London W1F 7LD
<b>Registered auditors</b>	Hazlems Fenton LLP Chartered Accountants Palladium House 1-4 Argyll Street London W1F 7LD
<b>Business address</b>	Palladium House 1-4 Argyll Street London W1F 7LD

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# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

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# **INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED**

## **DIRECTOR'S REPORT**

### ***FOR THE YEAR ENDED 31 DECEMBER 2011***

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The director presents his report and financial statements for the year ended 31 December 2011

#### **Principal activities and review of the business**

The principal activity of the company continued to be that of selling furniture and door systems. The principal activities of the subsidiary, Atelier Mebeli LLC continued to be that of agent operations in furniture retail trade. The second subsidiary, Mebel'niy Kombinat No7 was dormant throughout the year.

The director is pleased with the results for the group. Group turnover has increased by Russian Roubles 203,284,000 from Russian Roubles 364,474,000 to Russian Roubles 567,760,000. There were 40 additional franchise stores opened during the year.

The group's results were a pre-tax profit of Russian Roubles 24,521,000 in the year compared to a pre-tax profit of Russian Roubles 14,252,000 for the year ended 31 December 2010.

The key risks and uncertainties affecting the group are the current economic climate and fluctuation of exchange rates.

The following are the key performance indicators used by the Group:

- Revenue in year
- Gross profit for the year
- Profit before tax
- Net assets

#### **Results and dividends**

The consolidated profit and loss account for the year is set out on page 7.

There were no dividends paid in the year.

#### **Future developments**

The director is confident that the group's results will increase for the forthcoming year.

#### **Director**

The following director has held office since 1 January 2011:

Marina Seregina

# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## DIRECTOR'S REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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### Financial instruments

#### Treasury operations and financial instruments

The financial instruments used by the group arise wholly and directly from its activities. The financial instruments comprise debtors, cash at bank and creditors.

#### Liquidity risk

The group maintains management accounts and monitors its cashflow using cash flow forecasting.

#### Interest rate risk

The Group's exposure to interest rate risk is actively monitored to ensure that the effect of the profit and loss account is minimised.

#### Foreign currency risk

The group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and euro. Foreign exchange risk arises from commercial transactions which are actively monitored to ensure that the effect on the profit and loss account is minimised.

#### Credit risk

The group has a clear credit facility policy and any unpaid balances are rigorously followed up on an ongoing basis.

The financial risk arising from the possible non-advance of credit of the company's creditors, either by exceeding the credit limit or not paying within the specified terms is managed by prompt payment and regular monitoring of the trade balance and credit terms for all suppliers.

### Auditors

In accordance with the company's articles, a resolution proposing that Hazlems Fenton LLP be reappointed as auditors of the company will be put at a General Meeting.

# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

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### Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK 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 group will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Statement of disclosure to auditors

So far as the director is aware, there is no relevant audit information of which the group's auditors are unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the board



Marina Seregina

Director

28<sup>th</sup> September 2012

# **INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED**

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We have audited the group and parent company financial statements (the "financial statements") of International Furniture Distributors Limited for the year ended 31 December 2011 set out on pages 7 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 director and auditors**

As explained more fully in the Director's Responsibilities Statement set out on pages 1 - 3, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the director, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

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#### **Basis for disclaimer on financial statements**

In seeking to form an opinion on the financial statements we considered the implications of the significant uncertainties disclosed in the financial statements concerning the following matters

- with respect to the total assets of RUR'000 97,688 and total liabilities of RUR'000 89,529 recorded as held by the group's subsidiaries, and

- with respect to the total assets of RUR'000 3,779 and total liabilities of RUR'000 2,712 recorded as held by the holding company's branch trading in the Russian Federation, and

- with respect to the turnover of RUR'000 441,559, Cost of sales of RUR'000 416,002, administrative expenses of RUR'000 21,065, Other operating income of RUR'000 425, Amounts written off investments of RUR'000 214, Interest payable and similar charges of RUR'000 842 and Tax on profit on ordinary activities of RUR'000 817 recorded as held by the group's subsidiaries, and

- with respect to the turnover of RUR'000 441,559, Cost of sales of RUR'000 416,002, administrative expenses of RUR'000 21,065, Other operating income of RUR'000 425, Amounts written off investments of RUR'000 214, Interest payable and similar charges of RUR'000 842 and Tax on profit on ordinary activities of RUR'000 817 recorded as the profit and loss transactions by the group's subsidiaries, and

- With respect to the turnover of RUR'000 18,596, administrative expenses of RUR'000 17,246, and Tax on profit on ordinary activities of RUR'000 282 recorded as the profit and loss transactions by the holding company's branch trading in the Russian Federation,

the audit evidence available to us was limited because the component auditor was not willing to provide us with the information necessary for us to form an opinion on the quality and sufficiency of the audit work performed. No acceptable reason has been given for this unwillingness by the component auditor, who has made this decision. The component auditor has given unqualified audit reports on the holding company's Russian branch and all the subsidiaries.

There is potential for the uncertainties to interact with one another such that we have been unable to obtain sufficient appropriate audit evidence regarding the possible effect of the uncertainties taken together.

In addition, the audit evidence available to us in respect of consolidated opening balances was limited as the company did not prepare group accounts for the year ended 31 December 2010.

#### **Disclaimer of opinion on financial statements**

Because of the significance of the possible impact of uncertainties, described in the Basis for Disclaimer of Opinion on Financial Statements paragraph, to the financial statements, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly we do not express an opinion of the financial statements.

#### **Qualified opinion on financial statements**

Notwithstanding our disclaimer on the view given by the financial statements, in our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

- give a true and fair view of the state of the group's and parent company's affairs as at 31 December 2011 and of the group's profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.



# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

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#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements

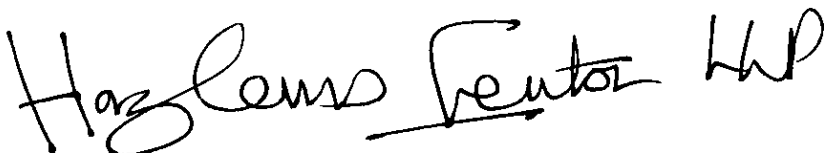
#### Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to the subsidiaries, Holding company branch and consolidated opening balances referred to above

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit, and
- we were unable to determine whether adequate accounting records had been maintained
- returns adequate for our audit have not been received from branches not visited by us

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or



Michael Krieger (Senior Statutory Auditor)  
for and on behalf of Hazlems Fenton LLP

28<sup>th</sup> September 2012

Chartered Accountants  
Statutory Auditor

Chartered Accountants  
Palladium House  
1-4 Argyll Street  
London W1F 7LD

# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 RUR'000	2010 RUR'000
Turnover	2	567,760	364,474
Cost of sales		(495,400)	(309,782)
<b>Gross profit</b>		<b>72,360</b>	<b>54,692</b>
Administrative expenses		(46,358)	(40,001)
Other operating income		(425)	109
<b>Operating profit</b>	<b>3</b>	<b>25,577</b>	<b>14,800</b>
Amounts written off investments	4	(214)	-
Interest payable and similar charges	5	(842)	(548)
<b>Profit on ordinary activities before taxation</b>		<b>24,521</b>	<b>14,252</b>
Tax on profit on ordinary activities	6	(1,084)	(1,715)
<b>Profit on ordinary activities after taxation</b>		<b>23,437</b>	<b>12,537</b>
Minority interests		(110)	(223)
<b>Profit for the financial year</b>	<b>7</b>	<b>23,327</b>	<b>12,314</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## BALANCE SHEETS

AS AT 31 DECEMBER 2011

		Group		Company	
	Notes	2011 RUR'000	2010 RUR'000	2011 RUR'000	2010 RUR'000
<b>Fixed assets</b>					
Intangible assets	8	38,663	43,489	38,663	43,489
Tangible assets	9	22,898	16,921	-	-
Investments	10	1	1	20	20
		<u>61,562</u>	<u>60,411</u>	<u>38,683</u>	<u>43,509</u>
<b>Current assets</b>					
Stocks	11	5,343	1,867	-	-
Debtors	12	81,568	55,967	45,728	37,100
Cash at bank and in hand		33,839	17,451	213	46
		<u>120,750</u>	<u>75,285</u>	<u>45,941</u>	<u>37,146</u>
<b>Creditors amounts falling due within one year</b>	13	<u>(175,243)</u>	<u>(152,043)</u>	<u>(85,724)</u>	<u>(102,997)</u>
<b>Net current liabilities</b>		<u>(54,493)</u>	<u>(76,758)</u>	<u>(39,783)</u>	<u>(65,851)</u>
<b>Total assets less current liabilities</b>		7,069	(16,347)	(1,100)	(22,342)
<b>Creditors amounts falling due after more than one year</b>	14	(10)	-	-	-
		<u>7,059</u>	<u>(16,347)</u>	<u>(1,100)</u>	<u>(22,342)</u>
<b>Capital and reserves</b>					
Called up share capital	16	466	466	466	466
Share premium account	17	-	30	-	-
Profit and loss account	17	6,184	(17,143)	(1,566)	(22,808)
<b>Shareholders' funds</b>	19	6,650	(16,647)	(1,100)	(22,342)
<b>Minority interests</b>	18	409	300	-	-
		<u>7,059</u>	<u>(16,347)</u>	<u>(1,100)</u>	<u>(22,342)</u>

# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## BALANCE SHEETS (CONTINUED)

AS AT 31 DECEMBER 2011

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Approved by the Board and authorised for issue on 18<sup>th</sup> September 2012



Marina Seregina  
Director

Company Registration No 05965174

# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	RUR'000	2011 RUR'000	RUR'000	2010 RUR'000
<b>Net cash inflow from operating activities</b>		27,291		382
<b>Returns on investments and servicing of finance</b>				
Interest paid	(842)		(548)	
Dividends paid to minorities	(1)		77	
<b>Net cash outflow for returns on investments and servicing of finance</b>		(843)		(471)
<b>Taxation</b>		(298)		(1,723)
<b>Capital expenditure</b>				
Payments to acquire intangible assets	(2,829)		3,576	
Payments to acquire tangible assets	(6,191)		2,669	
Receipts from sales of tangible assets	3		(134)	
<b>Net cash (outflow)/inflow for capital expenditure</b>		(9,017)		6,111
<b>Net cash inflow before management of liquid resources and financing</b>		17,133		4,299
<b>Management of liquid resources</b>				
Current asset investments	-		30	
Bank deposits	(16)		(5)	
		(16)		25
<b>Increase in cash in the year</b>		17,117		4,324

# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

1	Reconciliation of operating profit to net cash inflow from operating activities	2011	2010
		RUR'000	RUR'000
	Operating profit	25,577	14,800
	Amortisation of intangible assets	6,111	6,107
	Profit/(loss) on disposal of tangible assets	(3)	134
	Increase in stocks	(3,476)	(1,542)
	Increase in debtors	(25,546)	(16,526)
	Increase/(decrease) in creditors within one year	24,628	(2,591)
	<b>Net cash inflow from operating activities</b>	<b>27,291</b>	<b>382</b>

2	Analysis of net funds	1 January 2011	Cash flow	Other non-cash changes	31 December 2011
		RUR'000	RUR'000	RUR'000	RUR'000
	Net cash				
	Cash at bank and in hand	17,446	16,372	-	33,818
	Bank overdrafts	(745)	745	-	-
		<u>16,701</u>	<u>17,117</u>	<u>-</u>	<u>33,818</u>
	Liquid resources				
	Bank deposits	5	16	-	21
		<u>-</u>	<u>(10)</u>	<u>-</u>	<u>(10)</u>
	Debts falling due after one year	-	(10)	-	(10)
	Net funds	<u>16,706</u>	<u>17,123</u>	<u>-</u>	<u>33,829</u>

3	Reconciliation of net cash flow to movement in net funds	2011	2010
		RUR'000	RUR'000
	Increase in cash in the year	17,117	4,324
	Cash (outflow)/inflow from (increase)/decrease in liquid resources	16	(25)
	Cash inflow from increase in debt	(10)	-
	<b>Movement in net funds in the year</b>	<b>17,123</b>	<b>4,299</b>
	Opening net funds	16,706	12,407
	<b>Closing net funds</b>	<b>33,829</b>	<b>16,706</b>

# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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### **1 Accounting policies**

#### **1 1 Accounting convention**

The financial statements are prepared under the historical cost convention

#### **1 2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

#### **1 3 Basis of consolidation**

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2011. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

#### **1 4 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### **1 5 Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

#### **1 6 Patents**

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

#### **1 7 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 less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	Straight line basis over the life of the asset
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#### **1 8 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

#### **1 9 Stock**

Stock is valued at the lower of cost and net realisable value.

#### **1 10 Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### **1 11 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

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### 1 Accounting policies (continued)

#### 1 12 Functional currency

The functional currencies for the overseas subsidiaries are Russian roubles. This consolidated financial statements have been prepared for the company and its subsidiary undertakings and the figures are reported in the functional currencies, Russian roubles of the subsidiaries, as they have been considered to be material to the group.

#### 1 13 Financial Reporting Standard 8 Related party disclosures

All inter company transactions are excluded on consolidation under the exemption conferred by Financial Reporting Standard 8.

### 2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the Russian Federation.

3 Operating profit	2011 RUR'000	2010 RUR'000
Operating profit is stated after charging		
Amortisation of intangible assets	6,111	6,107
Loss on disposal of tangible assets	-	134
Loss on foreign exchange transactions	1,399	432
Fees payable to the group's auditor for the audit of the group's annual accounts (company £629, 2010 £468)	629	468
and after crediting		
Profit on disposal of tangible assets	(3)	-

4 Amounts written off investments	2011 RUR'000	2010 RUR'000
Amounts written off investments in prior years written back		
- current assets	214	-

5 Interest payable	2011 RUR'000	2010 RUR'000
On bank loans and overdrafts	842	548



# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

6	Taxation	2011	2010
		RUR'000	RUR'000
	<b>Foreign corporation tax</b>		
	Foreign corporation tax	1,059	1,802
	<b>Total current tax</b>	1,059	1,802
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	25	(87)
		<u>1,084</u>	<u>1,715</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	<u>24,521</u>	<u>14,252</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 0.00% (2010 - 0.00%)	<u>-</u>	<u>-</u>
	Effects of		
	Foreign tax adjustments	<u>1,059</u>	<u>1,802</u>
		<u>1,059</u>	<u>1,802</u>
	<b>Current tax charge for the year</b>	<u>1,059</u>	<u>1,802</u>
7	<b>Profit for the financial year</b>		
	As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:		
		2011	2010
		RUR'000	RUR'000
	Holding company's profit for the financial year	<u>21,242</u>	<u>8,076</u>

# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

### 8 Intangible fixed assets Group

	Patents RUR'000
<b>Cost</b>	
At 1 January 2011 & at 31 December 2011	64,439
<b>Amortisation</b>	
At 1 January 2011	19,332
Charge for the year	6,444
At 31 December 2011	25,776
<b>Net book value</b>	
At 31 December 2011	38,663
At 31 December 2010	43,489

### Intangible fixed assets (continued) Company

	Patents RUR'000
<b>Cost</b>	
At 1 January 2011 & at 31 December 2011	64,439
<b>Amortisation</b>	
At 1 January 2011	19,332
Charge for the year	6,444
At 31 December 2011	25,776
<b>Net book value</b>	
At 31 December 2011	38,663
At 31 December 2010	43,489

# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2011**

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### 9 Tangible fixed assets

#### Group

	Plant and machinery RUR'000
<b>Cost</b>	
At 1 January 2011	22,815
Additions	83
	<hr/>
At 31 December 2011	22,898
	<hr/>
<b>Depreciation</b>	
At 1 January 2011 & at 31 December 2011	-
	<hr/>
<b>Net book value</b>	
At 31 December 2011	22,898
	<hr/>
At 31 December 2010	16,921
	<hr/>

# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

### 10 Fixed asset investments Group

	Unlisted investments RUR'000	Total RUR'000
<b>Cost</b>		
At 1 January 2011 & at 31 December 2011	1	1
<b>Net book value</b>		
At 31 December 2011	1	1
At 31 December 2010	1	1

### Company

	Unlisted investments RUR'000	Shares in group undertakings RUR'000	Total RUR'000
<b>Cost</b>			
At 1 January 2011 & at 31 December 2011	1	19	20
<b>Net book value</b>			
At 31 December 2011	1	19	20
At 31 December 2010	1	19	20

In the opinion of the director, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held Class	%
<b>Subsidiary undertakings</b>			
Atelier Mebeli LLC	Russia	Ordinary	95
Mebel'niy Kombinat No7	Russia	Ordinary	95
<b>Other significant interests</b>			
Mebel'niy Kombinat No8	Russia	Ordinary	5

The principal activity of these undertakings for the last relevant financial year was as follows

# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2011

### 10 Fixed asset investments (continued)

	Principal activity
Atelier Mebeli LLC	Agent operations in furniture retail trade
Mebel'nyy Kombinat No7	Agent operations in furniture retail trade

### 11 Stocks

	Group		Company	
	2011	2010	2011	2010
	RUR'000	RUR'000	RUR'000	RUR'000
Raw materials and consumables	5,343	1,867	-	-

### 12 Debtors

	Group		Company	
	2011	2010	2011	2010
	RUR'000	RUR'000	RUR'000	RUR'000
Trade debtors	68,206	50,445	45,640	36,969
Other debtors	67	209	67	124
Prepayments and accrued income	13,236	5,309	21	7
Deferred tax asset (see note 15)	59	4	-	-
	81,568	55,967	45,728	37,100

# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

### 13 Creditors amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	RUR'000	RUR'000	RUR'000	RUR'000
Bank loans and overdrafts	-	745	-	745
Trade creditors	86,678	53,125	9,748	9,912
Corporation tax	1,044	203	1,044	203
Taxes and social security costs	3,499	1,089	-	-
Other creditors	82,929	96,489	73,839	91,745
Accruals and deferred income	1,093	392	1,093	392
	<u>175,243</u>	<u>152,043</u>	<u>85,724</u>	<u>102,997</u>

### 14 Creditors amounts falling due after more than one year

	Group		Company	
	2011	2010	2011	2010
	RUR'000	RUR'000	RUR'000	RUR'000
Other loans	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Analysis of loans</b>				
Wholly repayable within five years	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Loan maturity analysis</b>	<u></u>	<u></u>	<u></u>	<u></u>

# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

### 15 Provisions for liabilities

The deferred tax asset (included in debtors, note 12) is made up as follows

	Group 2011 RUR'000	Company 2011 RUR'000
Balance at 1 January 2011 & at 31 December 2011	(59)	-

	Group 2011 RUR'000	2010 RUR'000	Company 2011 RUR'000	2010 RUR'000
Decelerated capital allowances	(59)	(4)	-	-

### 16 Share capital

	2011 RUR'000	2010 RUR'000
Allotted, called up and fully paid 10,000 Ordinary shares of £1 each	466	466

### 17 Statement of movements on profit and loss account

Group	Profit and loss account RUR'000
Balance at 1 January 2011	(17,143)
Profit for the year	23,327
Balance at 31 December 2011	6,184

Company	Profit and loss account RUR'000
Balance at 1 January 2011	(22,808)
Profit for the year	21,242
Balance at 31 December 2011	(1,566)

# INTERNATIONAL FURNITURE DISTRIBUTORS LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

18	Minority interests	2011 RUR'000	2010 RUR'000
	Minority interests' share of net assets and liabilities in subsidiary undertakings	409	300

19	Reconciliation of movements in shareholders' funds Group	2011 RUR'000	2010 RUR'000
	Profit for the financial year	23,327	12,314
	Other reserve movements	-	-
	Opening shareholders' funds	(16,647)	(28,961)
	Closing shareholders' funds	6,650	(16,647)

	Company	2011 RUR'000	2010 RUR'000
	Profit for the financial year	21,242	8,076
	Opening shareholders' funds	(22,342)	(30,418)
	Closing shareholders' funds	(1,100)	(22,342)

## 20 Employees

### Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Total employees in the organisation	1,519	1,302

	2011 RUR'000	2010 RUR'000
Employment costs		
Wages and salaries	1,305	433