

ABF LIMITED

REPORT AND FINANCIAL STATEMENTS

3 FEBRUARY 2001

Registered Number 273919



ABF LIMITED

REPORT AND FINANCIAL STATEMENTS

Contents

	Page
Directors' Report	2-3
Directors' Responsibilities	4
Auditors' Report	5
Consolidated Profit and Loss Account	6
Consolidated Balance Sheet	7
Company Balance Sheet	8
Consolidated Statement of Total Recognised Gains and Losses	9
Consolidated Reconciliation of Movements in Shareholders' Funds	9
Statement of Historical Cost Profit	9
Notes to the Financial Statements	10 - 21

ABF LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors :

D W Adam
R R Brown
A Clark
J Edwards
S P Gill
P Marchant
S Martin
K Mullen
W Simpson

Secretary :

K Mullen

Registered Office :

Silentnight House
Salterforth
Barnoldswick
Lancashire BB18 5UE

Auditor :

KPMG Audit Plc
1, The Embankment
Neville Street
Leeds

Bankers :

National Westminster Bank Plc

ABF LIMITED

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 53 weeks ended 3 February 2001.

1. Activities

The company manufactures furniture including mattresses, divans, bedsteads, headboards, cabinets and components.

2. Results and Dividends

The directors are pleased to report a profit of £9,693,696 for the financial year, further details of which are given in the profit and loss account on page 6 and in the notes to the financial statements. The satisfactory level of trading is expected to continue.

The directors recommend the payment of a dividend of £9,692,415 (2000: £18,401,607).

3. Directors and their Interests

The directors of the company at the year end and changes during and following the year are as follows:

	Appointed	Resigned
W Simpson		
S P Gill		
S Martin		
D W Adam		
R R Brown		
A Clark		
J R E Coley		10.03.00
J Edwards		
J Fitzpatrick		28.10.00
K Mullen	31.07.00	
P Marchant	14.03.01	

The directors have no interest in the shares of the company. The directors' interests in the shares of the immediate holding company and ultimate holding company are disclosed in the directors' reports of those companies. Save as disclosed, none of the directors had an interest of a material nature in any contract to which the parent company or its subsidiaries was a party during the financial year.

4. Fixed Assets

The divisions and subsidiary companies have pursued the normal policy of adding to and replacing fixed assets as and when necessary. Details of the movements are set out in note 11.

ABF LIMITED

DIRECTOR'S REPORT

5. Employee Communications

During the year the group has continued to inform employees about matters which affect their working lives. The Group newspaper is circulated to all employees.

At plant level, because of significant differences in size, business and location, methods of communication and consultation may vary. They range from informal regular contact to formal employee briefing groups, with particular emphasis being placed on providing information of local relevance.

6. Disabled Persons

The company recognises its legal and social obligations for the employment of disabled persons and does what is practical to fulfil them. Disabled persons' applications for employment are carefully considered and their aptitudes and abilities are taken fully into account. If employees become disabled while employed by the company every effort is made to retain them in the same job. General training and promotional opportunities are available to disabled employees according to individual ability in the same way as to other employees.

7. Donations

Charitable donations during the year amounted to £10,385 (2000 : £10,296).

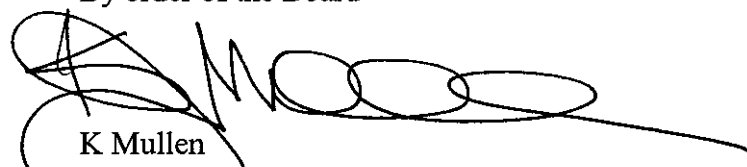
8. Creditor Payment Policy

The general policy is to pay suppliers at the end of the month following the month in which delivery occurs. It is always policy to:

- agree the terms of payment with each supplier;
- pay in accordance with contractual and other legal obligations.

Trade creditors shown in the company's balance sheet at 3 February 2001 represents 52 days (2000: 52 days) of average purchases during the year.

By order of the Board



K Mullen
Secretary
25 April 2001

ABF LIMITED

DIRECTORS' RESPONSIBILITIES in relation to the financial statements

The directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss for that year. In preparing those financial statements the directors are required to:

- select appropriate accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for ensuring that the company keeps accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The above statement should be read in conjunction with the statement of the auditor's responsibilities set out on page 6.

ABF LIMITED

AUDITORS' REPORT to the members of ABF Limited

We have audited the financial statements as set out on pages 7 to 22.

Respective responsibilities of the directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 5, the financial statements 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 financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company 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 company 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 financial statements are free from material misstatement, 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 financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company and group's affairs as at 3 February 2001 and of its profit for the 53 weeks then ended, and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc.

KPMG Audit Plc
Chartered Accountants
Registered Auditor
Leeds
25 April 2001

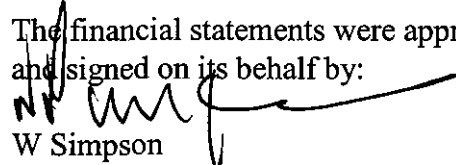
ABF LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the 53 weeks ended 3 February 2001**

	Note	2001 £'000	2000 £'000
TURNOVER			
Continuing operations		195,203	185,337
Discontinued operations		-	176
		-----	-----
		195,203	185,513
		-----	-----
OPERATING PROFIT			
Continuing operations		13,637	13,631
Discontinued operations		-	363
		-----	-----
	2	13,637	13,994
		-----	-----
Profit on disposal of discontinued operation		-	8,008
Profit on sale of properties		-	1,209
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST	3	13,637	23,211
Net interest payable	6	(19)	(28)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		13,618	23,183
Tax on profit on ordinary activities	7	(3,924)	(4,780)
		-----	-----
PROFIT FOR THE FINANCIAL YEAR		9,694	18,403
Dividends	9	(9,693)	(18,402)
		-----	-----
RETAINED PROFIT FOR THE FINANCIAL YEAR	19	1	1
		-----	-----

ABF LIMITED**CONSOLIDATED BALANCE SHEET****At 3 February 2001**

	Note	2001 £'000	2000 £'000
FIXED ASSETS			
Intangible Assets	10	17,366	-
Tangible assets	11	45,214	39,203
		-----	-----
		62,580	39,203
		-----	-----
CURRENT ASSETS			
Stocks	13	9,407	9,158
Debtors	14	27,868	26,502
Cash at bank and in hand		12,758	23,475
		-----	-----
		50,033	59,135
		-----	-----
CREDITORS : Amounts falling due within one year			
	15	44,254	54,993
		-----	-----
NET CURRENT ASSETS			
		5,779	4,142
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES			
		68,359	43,345
		-----	-----
CREDITORS : Amounts falling due after more than one year			
	16	47,330	25,925
		-----	-----
PROVISION FOR LIABILITIES AND CHARGES			
	17	-	-
		-----	-----
		47,330	25,925
		-----	-----
NET ASSETS			
		21,029	17,420
		-----	-----
CAPITAL AND RESERVES			
Called up share capital	18	62	62
Revaluation reserve	19	8,355	4,767
Profit and loss account	19	12,612	12,591
		-----	-----
EQUITY SHAREHOLDERS' FUNDS			
		21,029	17,420
		-----	-----

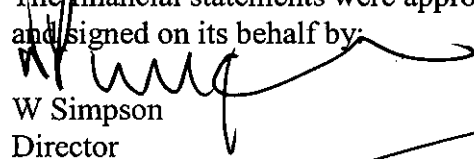
The financial statements were approved by the Board of Directors on 25 April 2001 and signed on its behalf by:


W Simpson
Director

ABF LIMITED**COMPANY BALANCE SHEET****At 3 February 2001**

	Note	2001 £'000	2000 £'000
FIXED ASSETS			
Intangible Assets	10	17,366	-
Tangible assets	11	20,444	19,360
Investments	12	13,348	17,438
		-----	-----
		51,158	36,798
		-----	-----
CURRENT ASSETS			
Stocks	13	9,407	9,158
Debtors	14	27,848	26,623
Cash at bank and in hand		14,264	18,844
		-----	-----
		51,519	54,625
		-----	-----
CREDITORS : Amounts falling due within one year			
	15	44,031	54,210
		-----	-----
NET CURRENT ASSETS			
		7,488	415
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES			
		58,646	37,213
CREDITORS : Amounts falling due after more than one year			
	16	46,913	25,500
PROVISION FOR LIABILITIES AND CHARGES			
	17	-	-
		-----	-----
		46,913	25,500
		-----	-----
NET ASSETS			
		11,733	11,713
		-----	-----
CAPITAL AND RESERVES			
Called up share capital	18	62	62
Profit and loss account	19	11,671	11,651
		-----	-----
EQUITY SHAREHOLDERS' FUNDS			
		11,733	11,713
		-----	-----

The financial statements were approved by the Board of Directors on 25 April 2001
and signed on its behalf by:


W Simpson
Director

ABF LIMITED**CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES****for the 53 weeks ended 3 February 2001**

	2001 £'000	2000 £'000
Profit for the financial year	9,694	18,403
Currency translation differences on foreign currency net investments	20	(61)
Surplus on revaluation of properties	3,588	-
Total recognised gains and losses for the financial year	<u>13,302</u>	<u>18,342</u>

CONSOLIDATED RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**for the 53 weeks ended 3 February 2001**

	2001 £'000	2000 £'000
Profit for the financial year	9,694	18,403
Dividends	(9,693)	(18,402)
Retained profit for the year	<u>1</u>	<u>1</u>
Other recognised gains and losses relating to the year (net)	20	(61)
Surplus on revaluation of properties	3,588	-
Net addition/(reduction) to shareholders' funds	<u>3,609</u>	<u>(60)</u>
Opening shareholders' funds	17,420	17,480
Closing shareholders' fund	<u>21,029</u>	<u>17,420</u>

STATEMENT OF HISTORICAL COST PROFIT

There is no material difference between the results as disclosed in the profit and loss account and the results on an unmodified historic cost basis.

ABF LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the 53 weeks ended 3 February 2001

1. Accounting Policies

(a) Accounting convention

The financial statements have been prepared under the historical cost convention as amended by the revaluation of freehold property in the UK and in accordance with applicable accounting standards. During the year the Group adopted FRS 15 'Tangible Fixed Assets', this did not have any significant effect as the Group continues to revalue all properties on a regular basis.

(b) Basis of consolidation

The consolidated financial statements include the financial statements of the parent company and all its subsidiary undertakings made up to 3 February 2001.

(c) Goodwill

Goodwill arising on acquisitions of subsidiaries and businesses prior to 31 January 1998 has been written off to reserves as incurred. Such goodwill is charged against the profit for the year in which any disposal of subsidiaries takes place. Goodwill arising on the acquisition of subsidiaries and businesses completed after 31 January 1998 will be capitalised as an intangible asset and written off over its economic useful life.

(d) Foreign exchange

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and gains or losses on translation are included in the profit and loss account.

(e) Tangible fixed assets

Fixed assets are included in the financial statements either at cost or valuation. Depreciation is provided to write off the cost or valuation less estimated residual value in equal instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold property	-	2% per annum
Plant	-	12.5% per annum
Motor cars	-	25% per annum
Commercial vehicles	-	14.25% per annum
Trailers	-	12.5% per annum
Office fixtures and fittings, computers and office equipment	-	10% - 33.33% per annum

Government grants relating to capital expenditure are included in accruals and deferred income and released to profit and loss over the estimated useful life of the asset.

ABF LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the 53 weeks ended 3 February 2001

1. Accounting Policies continued

(f) Stocks

All stocks have been valued at the lower of cost and net realisable value. The cost of finished goods and work in progress includes direct labour and appropriate production overheads.

(g) Taxation

Deferred tax is provided at the appropriate rate on differences arising from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements except where the tax reduction is expected to continue for the foreseeable future.

(h) Interest on capital projects

The interest in respect of loans specifically financing the cost of the construction of new factories is capitalised and included in fixed assets.

(i) Finance leases

Assets held under finance leases are capitalised and included in tangible fixed assets at fair value. The obligations relating to finance leases, net of finance charges in respect of future periods, are included as appropriate under creditors due within, or creditors due after, one year. Finance charges are amortised over the lease term to reflect a constant rate of interest on the remaining balance of the obligation.

(j) Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

(k) Pension costs

The expected cost of providing pensions under the company's defined benefit scheme, as calculated periodically by professionally qualified actuaries, is charged to the profit and loss account so as to spread the cost over the service lives of employees in the scheme, in such a way that the pension cost is a substantially level percentage of current and expected future pensionable payroll. Costs incurred in respect of defined contribution schemes are charged to the profit and loss account in accordance with the period to which the contributions relate.

(l) Investments

Shares in subsidiary companies are stated at cost less provisions for permanent diminution in value.

(m) Intangible Assets

Trademarks are recorded in the Financial Statements at cost. Amortisation is provided to write off the cost of trademarks over their useful economic life, which has been assessed at 20 years.

ABF LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the 53 weeks ended 3 February 2001

1. Accounting Policies continued

(n) Cash flow statement

Under FRS 1 the company is not required to prepare a cash flow statement, being a wholly owned subsidiary of Silentnight Holdings Plc, whose consolidated financial statements include a cash flow statement dealing with the cash flows of the group.

(o) Related party transaction

As the company is a wholly owned subsidiary of Silentnight Holdings Plc the company has taken advantage of the exemption contained within FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group. The consolidated financial statements can be obtained from the address given in note 22.

2. Operating Profit

	2001 £'000	2000 £'000
Operating profit is stated after charging :		
Cost of sales	128,824	120,683
Distribution expenses	35,278	32,722
Administrative expenses	17,464	18,114
	<u>181,566</u>	<u>171,519</u>

3. Profit before interest

	2001 £'000	2000 £'000
Profit before interest is stated after charging/(crediting):		
Depreciation	5,694	5,990
Amortisation of intangible assets	834	-
Net profit on disposal of discontinued operation	-	(8,008)
Profit on sale of properties	-	(1,209)
Profit on disposal of fixed assets	(20)	(118)
Auditors remuneration: audit	110	107
Leasing and hire charges: land & buildings	186	219
plant & machinery	971	945
Exchange loss/(gain) on foreign currency borrowings/deposits	5	(14)

Depreciation charged to operating profit in the year represents the full amount written off fixed assets as adjusted for the amounts included in the valuation of opening and closing stock.

ABF LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the 53 weeks ended 3 February 2001

4. Remuneration of Directors

Two of the directors of ABF Limited are also directors of the immediate holding company, Silentnight Holdings Plc. Details of their remuneration and retirement benefits are included in that company's accounts.

	2001 £'000	2000 £'000
Aggregate emoluments	317	96
Compensation for loss of office	81	-
	-----	----
	398	96
	=====	=====

The remuneration of the highest paid director including benefits in kind was £150,000 (2000:£26,000). The accrued pension entitlement of the highest paid director was £18,318 (2000:£16,977). Retirement benefits are accruing to 6 (2000:6) directors under the group's defined benefit scheme.

5. Employee Information

	2001 £'000	2000 £'000
Employee costs:		
Wages and salaries	52,011	48,710
Social security costs	4,651	4,244
Other pension costs	948	897
	-----	-----
	57,610	53,851
	=====	=====

	2001 Number	2000 Number
Average number of persons employed:		
Production	2,353	2,355
Sales and distribution	662	665
Administration	212	204
	-----	-----
	3,227	3,224
	=====	=====

6. Net Interest Payable

	2001 £'000	2000 £'000
Interest payable on:		
Finance leases	18	27
Bank loans and overdrafts:		
Repayable within five years	1	1
	-----	-----
	19	28
	=====	=====

ABF LIMITED**NOTES TO THE FINANCIAL STATEMENTS
for the 53 weeks ended 3 February 2001**

7. Taxation on Profit on Ordinary Activities	2001 £'000	2000 £'000
Charge based on profit for the year:		
UK corporation tax at 30% (2000 : 30.17%)	3,038	5,073
Group relief (receivable)/payable	300	197
Deferred tax	587	(489)
	-----	-----
	3,925	4,781
Prior year over provision	(1)	(1)
	-----	-----
	<u>3,924</u>	<u>4,780</u>

8. Profit of Parent Company

As permitted by Section 230(4) of the Companies Act 1985, the profit and loss account of the parent company, ABF Limited, is not presented as part of these financial statements. The profit of the Company for the financial year included within the consolidated profit and loss account is £9,694,000 (2000: £18,402,000).

9. Dividends	2001 £'000	2000 £'000
Equity shares:		
Proposed final: £155.26 per share (2000: £294.77 per share)	9,693	18,402
	<u>9,693</u>	<u>18,402</u>

**10. Intangible Fixed Assets
Group and Company**

	Trademarks £'000
Cost or Valuation :	
At 29 January 2000	-
Group transfers	18,200

At 3 February 2001	18,200

Depreciation:	
At 29 January 2000	-
Charge for the year	834

At 3 February 2001	834

Net Book Value :	
At 3 February 2001	17,366
	<u>17,366</u>
At 29 January 2000	-
	<u>-</u>

ABF LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the 53 weeks ended 3 February 2001

10. Intangible Fixed Assets continued

During the year trademarks with a market value of £18,200,000 were transferred from Silentnight Holdings Plc, the company's immediate holding company.

11. Tangible Fixed Assets

	Freehold property £'000	Group Equipment, plant and vehicles £'000	Total £'000	Company Equipment, plant and vehicles £'000
Cost or Valuation:				
At 29 January 2000	20,881	58,439	79,320	58,439
Foreign exchange movements	-	9	9	9
Additions	1,718	6,668	8,386	6,668
Group transfers	-	(143)	(143)	(143)
Revaluation	2,383	-	2,383	-
Disposals	-	(2,342)	(2,342)	(2,342)
	-----	-----	-----	-----
At 3 February 2001	24,982	62,631	87,613	62,631
	-----	-----	-----	-----
Depreciation:				
At 29 January 2000	1,038	39,079	40,117	39,079
Foreign exchange movements	-	6	6	6
Charge for the year	379	5,314	5,693	5,314
Group transfers	-	(77)	(77)	(77)
Revaluation	(1,205)	-	(1,205)	-
Disposals	-	(2,135)	(2,135)	(2,135)
	-----	-----	-----	-----
At 3 February 2001	212	42,187	42,399	42,187
	-----	-----	-----	-----
Net Book Value:				
At 3 February 2001	24,770	20,444	45,214	20,444
	=====	=====	=====	=====
At 29 January 2000	19,843	19,360	39,203	19,360
	=====	=====	=====	=====

Included in the cost of freehold property is £129,000 (2000: £129,000) of capitalised interest. Freehold property also includes £3,368,000 (2000:£3,316,000) in respect of land that is not depreciated.

The net book value of finance leases, included in tangible fixed assets amounted to £88,000 (2000: £319,000). The depreciation charge for the year in respect of finance leases was £231,000 (2000: £325,000).

ABF LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the 53 weeks ended 3 February 2001

11. Tangible Fixed Assets continued

A professional revaluation of Group freehold property in the UK was undertaken in July 2000 by ATL Surveys, Chartered Surveyors of Nelson, Lancashire. The valuation was undertaken on the basis of open market value for existing use with the exception of two specialised properties which were valued on a depreciated replacement cost basis and three other properties which were valued at open market value. The valuation was prepared in accordance with the Statement of Asset Valuation Practice and Guidance Notes, published by the Royal Institution of Chartered Surveyors.

On an historical cost basis property would have been included at the following amounts:

	2001	2000
	£'000	£'000
Cost	19,034	17,317
Aggregate depreciation	(2,534)	(2,196)
	-----	-----
Net book value	<u>16,500</u>	<u>15,121</u>

Future capital expenditure

	Group	Company	Group	Company
	2001	2001	2000	2000
	£'000	£'000	£'000	£'000
No provision has been made for: Expenditure for which contracts have been placed	<u>4,303</u>	<u>2,891</u>	<u>3,577</u>	<u>1,869</u>

12. Investments held as Fixed Assets

Company	Shares in subsidiaries	Loans to subsidiaries	Total
Cost or valuation:	£'000	£'000	£'000
At 29 January 2000	2,192	16,525	18,717
Net movements on loans		(4,090)	(4,090)
	-----	-----	-----
At 3 February 2001	<u>2,192</u>	<u>12,435</u>	<u>14,627</u>
	-----	-----	-----
Amounts provided:			
At 29 January 2000 and 3 February 2001	<u>999</u>	<u>280</u>	<u>1,279</u>
	-----	-----	-----
Net Book Value:			
At 3 February 2001	<u>1,193</u>	<u>12,155</u>	<u>13,348</u>
	-----	-----	-----
At 29 January 2000	<u>1,193</u>	<u>16,245</u>	<u>17,438</u>
	-----	-----	-----

ABF LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the 53 weeks ended 3 February 2001

13. Stocks

	Group and Company	
	2001	2000
	£'000	£,000
Raw material and consumables	4,605	4,646
Work in progress	1,709	1,769
Finished goods	3,093	2,743
	-----	-----
	9,407	9,158
	=====	=====

14. Debtors

	2001		2000	
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Due within one year:				
Deferred tax (Note 17)	187	187	774	774
Trade debtors	25,014	25,014	23,339	23,339
Other debtors	175	175	169	169
Prepayments and accrued income	2,062	2,062	1,850	1,850
Amounts due from group undertakings	430	410	370	491
	-----	-----	-----	-----
	27,868	27,848	26,502	26,623
	=====	=====	=====	=====

15. Creditors : Amounts falling due within one year

	2001		2000	
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Bank overdraft	-	-	12	12
Trade creditors	16,379	16,379	16,080	15,849
Amounts owed to group undertakings	2,712	2,773	1,011	996
Corporation tax	2,129	1,934	4,339	3,969
Other taxation and social security	6,183	6,206	5,276	5,276
Accruals and deferred income	6,671	6,656	7,334	7,308
Other creditors	487	390	2,539	2,398
Proposed dividend	9,693	9,693	18,402	18,402
	-----	-----	-----	-----
	44,254	44,031	54,993	54,210
	=====	=====	=====	=====

None of the bank borrowings was secured at 3 February 2001 (2000: none secured).
Obligations under finance leases are included in other creditors (see note 20).

ABF LIMITED**NOTES TO THE FINANCIAL STATEMENTS
for the 53 weeks ended 3 February 2001****16. Creditors : Amounts falling due after more than one year**

	2001		2000	
	Group	Company	Group	Company
	£'000	£'000	£'000	£'000
Accruals and deferred income	3,544	3,127	5,935	5,510
Amount due to Holding Company (note 22)	43,786	43,786	19,990	19,990
	<u>47,330</u>	<u>46,913</u>	<u>25,925</u>	<u>25,500</u>

17. Provision for Liabilities and Charges

Deferred taxation	2001		2000	
	Amount provided	Amount unprovided	Amount provided	Amount unprovided
	£'000	£'000	£'000	£'000
Group:				
Excess of capital allowances over depreciation	420	1,994	360	2,316
Other timing differences	(607)	961	(1,134)	651
	<u>(187)</u>	<u>2,955</u>	<u>(774)</u>	<u>2,967</u>
Company:				
Excess of capital allowances over depreciation	420	1,169	360	1,503
Other timing differences	(607)	890	(1,134)	580
	<u>(187)</u>	<u>2,059</u>	<u>(774)</u>	<u>2,083</u>

The deferred tax asset of £187,000 (2000: £774,000) is included in debtors (Note 14).

18. Called Up Share Capital

	2001	2000
	£'000	£'000
Authorised:		
75,000 ordinary shares of £1 each	<u>75</u>	<u>75</u>
Allotted and fully paid:		
62,427 ordinary shares of £1 each	<u>62</u>	<u>62</u>

ABF LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the 53 weeks ended 3 February 2001

19. Retained Profits and Reserves

	Group Revaluation reserve £'000	Profit and loss £'000	Company Profit and loss £'000
At 29 January 2000	4,767	12,591	11,651
Foreign exchange adjustments	-	20	20
Retained profit for the year	-	1	-
Surplus on revaluation of properties	3,588	-	-
	-----	-----	-----
At 3 February 2001	<u>8,355</u>	<u>12,612</u>	<u>11,671</u>

The cumulative amount of goodwill written off at 3 February 2001 is £1,460,000 (2000: £1,460,000).

20. Leases

At 3 February 2001 the group had annual commitments under operating leases expiring as follows:

	2001 £'000	2000 £'000
(a) Land and buildings		
Expiring within one year	14	6
Expiring within 1 to 2 years	16	-
Expiring within 2 to 5 years	128	49
Expiring in over 5 years	26	149
	-----	-----
	<u>184</u>	<u>204</u>
(b) Other assets		
Expiring within one year	206	258
Expiring within 1 to 2 years	256	261
Expiring within 2 to 5 years	103	149
Expiring in over 5 years	37	-
	-----	-----
	<u>602</u>	<u>668</u>
(c) Finance leases		
Net obligations under finance leases comprise:		
Rentals payable within 1 year	-	103
	-----	-----
	<u>-</u>	<u>103</u>

ABF LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the 53 weeks ended 3 February 2001

21. Pensions

The group participates in a number of pension schemes. The main UK scheme, the Silentnight Holdings Plc Staff Retirement Benefits Scheme, of which the group is a member, is a defined benefit scheme funded by contributions from the group and the employees.

Full details of the scheme including details of the latest actuarial valuation are contained within the financial statements of Silentnight Holdings Plc. The total pension cost for the group was £948,000 (2000: £897,000) made up as follows:

	2001	2000
	£'000	£'000
UK defined benefit scheme	846	798
UK defined contribution scheme	56	52
Overseas schemes	46	47
	-----	-----
	948	897
	=====	=====

A provision of £3,375,000 (2000: £5,724,000) is included in creditors being the excess of accumulated pension provisions over the amount funded. This relates to pension contribution holidays in prior years. The surplus is being amortised over the average remaining service lives of the employees which is assessed at 13 years.

22. Ultimate Holding Company

The company's immediate holding company is Silentnight Holdings Plc, which is incorporated in Great Britain and registered in England and Wales. The largest group in which the results of the company are consolidated is Famco Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. The consolidated accounts of Famco Holdings Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

ABF LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the 53 weeks ended 3 February 2001

23. Subsidiary Companies

The principal subsidiaries at 3 February 2001, all of which are incorporated in Great Britain and registered in England and Wales, are as follows:

	Percentage of equity held	
	<u>Directly</u>	<u>Indirectly</u>
	%	%
Silentnight Limited	100	
Layezee Limited	100	
Perfecta Bedding Limited	100	
Silentnight Beds Limited	100	
Silentnight Cabinets Limited	100	
Westminster Bedsteads Limited	100	
Sherbury Limited	100	
Sealy Sleep Products (UK) Limited		100
Westminster Pine Limited	100	

All the principal subsidiaries are dormant except Silentnight Limited which manages the group's properties.

24. Contingent Liabilities

(a) Bank Guarantees

Group companies have provided cross guarantees in respect of certain bank loans and overdrafts of fellow group companies.

(b) Value Added Tax

As a result of group registration for VAT purposes, the company is liable for VAT arising in other companies within the group registration.