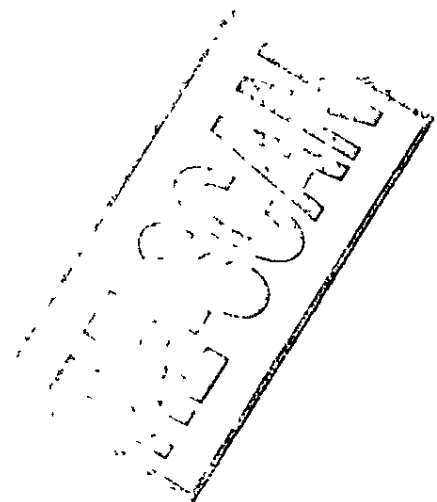


Edmund Bell & Co Limited

Report and Financial Statements

Year Ended

30 November 2007



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BDO Stoy Hayward
Chartered Accountants

Edmund Bell & Co Limited

**Annual report and financial statements
for the year ended 30 November 2007**

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Directors

E C Jett
S Handforth
P R Hauser

Secretary and registered office

E C Jett, 14 Gray's Inn Road, London, WC1X 8HN

Company number

361658

Auditors

BDO Stoy Hayward LLP, 1 Bridgewater Place, Leeds, LS11 5RU

Bankers

Barclays Bank Plc, 10 Market Street, Bradford, BD1 1NR

Solicitors

Bracher Rawlins, 14 Gray's Inn Road, London, WC1X 8HN

Edmund Bell & Co Limited

Report of the directors for the year ended 30 November 2007

The directors present their report together with the audited financial statements for the year ended 30 November 2007

Principal activities, trading review and future developments

The principal activity of the company is the marketing and distribution of a range of fabrics and curtain linings, to the domestic and contract soft furnishings market worldwide

Review of the business

The profit and loss account is set out on page 5 and shows turnover for the year of £17,342,461 and a profit for the year of £207,108

Turnover has increased by 17%. The directors are particularly pleased with the increase in sales in the current market conditions

There have been no events since the balance sheet date which materially affect the position of the company

The directors do not recommend the payment of a dividend

Principal risks and uncertainties

The company's sales and purchases are in both euros and US dollars. The company is therefore exposed to movements in the euro to sterling and US dollars to sterling exchange rate

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new and existing customers, monitoring orders and payments

The company monitors cash flow as part of its day to day control procedures in sterling, euros and dollars. The Board considers cash flow projections on a monthly basis and ensures that exchange risk is minimised

The company is Sarbanes Oxley compliant and undergoes frequent internal audits carried out by its ultimate parent company

Directors and their interests

The following directors served during the financial year

E C Jett
G Henderson (Resigned 07/06/2007)
S Handforth
J P Hamilton (Resigned 01/10/2007)
P R Hauser

Post balance sheet events

Post balance sheet events are disclosed in note 21

Edmund Bell & Co Limited

Report of the directors for the year ended 30 November 2007 (Continued)

Directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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 or loss of the company for that year. In preparing those 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

The auditors, BDO Stoy Hayward LLP, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members.

By order of the Board



Director

16 June 2008

Edmund Bell & Co Limited

Independent auditor's report

Independent auditor's report to the shareholders of Edmund Bell & Co Limited

We have audited the financial statements of Edmund Bell & Co Limited for the year ended 30 November 2007 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985 and whether the information given in the directors' report is consistent with those financial statements. We also report to you if, in our opinion, 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 other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Our report has been prepared pursuant to the requirements of the Companies Act 1985 and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of the Companies Act 1985 or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

Edmund Bell & Co Limited

Report of the independent auditors (*Continued*)

Opinion

In our opinion

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the director's report is consistent with the financial statements

BDO Stoy Hayward LLP
BDO STOY HAYWARD LLP
*Chartered Accountants
and Registered Auditors*
Leeds

16 June 2008

Edmund Bell & Co Limited

Profit and loss account for the year ended 30 November 2007

	Note	2007 £	2006 £
Turnover	2	17,342,461	17,049,956
Cost of sales		(13,454,678)	(12,686,672)
Gross profit		<u>3,887,783</u>	<u>4,363,284</u>
Distribution costs		(1,306,471)	(1,460,314)
Administrative expenses		<u>(2,357,736)</u>	<u>(2,293,802)</u>
Operating profit	3	223,576	609,168
Interest receivable and similar income	4	<u>68,583</u>	<u>59,834</u>
Profit on ordinary activities before taxation		292,159	669,002
Taxation on profit on ordinary activities	7	<u>(85,051)</u>	<u>(208,464)</u>
Profit on ordinary activities after taxation	15	<u>207,108</u>	<u>460,538</u>

The company has no recognised gains or losses other than the profit for the year

All amounts relate to continuing activities

The notes on pages 7 to 14 form part of these financial statements

Edmund Bell & Co Limited

Balance sheet at 30 November 2007

	Note	2007 £	2007 £	2006 £	2006 £
Fixed assets					
Tangible assets	9		115,989		174,144
Current assets					
Stocks	10	3,579,354		3,504,311	
Debtors	11	4,880,252		3,805,958	
Cash at bank and in hand		48,952		405,460	
		8,508,558		7,715,729	
Creditors: amounts falling due within one year	12	(7,598,736)		(7,113,911)	
Net current assets		909,822		601,818	
Total assets less current liabilities			1,025,811		775,962
Provisions for liabilities and charges	13		(42,741)		-
Net assets			983,070		775,962
Capital and reserves					
Called up share capital	14		17,860		17,860
Revaluation reserve	15		20,540		20,540
Profit and loss account	15		944,670		737,562
Shareholders' funds	16		983,070		775,962

The financial statements were approved by the Board of Directors and authorised for issue on 16 June 2008



Director

16 June 2008

The notes on pages 7 to 14 form part of these financial statements

Edmund Bell & Co Limited

Notes forming part of the financial statements for the year ended 30 November 2007

1 Accounting policies

The financial statements are prepared in accordance with the historical cost convention, the accounting policies set out below and in accordance with applicable accounting standards

A summary of the major accounting policies, which have been consistently applied, is set out below

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimate residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The annual rates used are on a straight line basis

Plant and machinery	10-20%
Fixtures and fittings	20%
Computer equipment	33%

Stocks

Stocks are stated at the lower of cost and net realisable value after making provision against obsolete and slow moving items. Consignment stock (held with suppliers whilst processing upon it is undertaken) is valued at the aggregate of purchase cost and incremental work done, subject to a maximum of net realisable value. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation and, where appropriate, the cost of conversion from their existing state to a finished condition

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated, but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its accounting profits arising from gains and losses in tax assessments in years different from those in which they are recognised in the financial statements. The deferred tax assets and liabilities are not discounted

Pension costs

The company's contribution to the defined contribution scheme is charged to the profit and loss account as they accrue

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Translation differences are dealt with in the profit and loss account

Edmund Bell & Co Limited

Notes forming part of the financial statements for the year ended 30 November 2007

1 Accounting policies (Continued)

Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied, recognised on despatch

Operating leases

Plant and machinery leased to Mitchel Interflex under operating leases is capitalised in accordance with the tangible fixed asset policy note above. Operating lease income is accounted for on a straight line basis with any rental increases recognised during the year to which they relate

Operating lease rentals are charged to the profit and loss account on a straight line basis, over the lease term

Cash flow statement

The directors have taken advantage of the exemption in FRS1 (Revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent company publishes a consolidated cash flow statement

2 Turnover

	2007 £	2006 £
Analysis by geographical market		
United Kingdom	13,118,111	12,564,676
Other EC countries	4,224,350	4,485,280
	<u>17,342,461</u>	<u>17,049,956</u>

Turnover is wholly attributable to the principal activity of the company

3 Operating profit

	2007 £	2006 £
This has been arrived at after charging/(crediting)		
Depreciation of tangible fixed assets	63,291	44,651
Loss/(profit) on disposal of tangible fixed assets	125	(83)
Fees paid to the company's auditor for the audit of the financial statements	13,111	14,353
Income from operating leases	(11,250)	(15,000)
Operating lease payments – other	204,573	152,807
Foreign currency translation (gains)/losses	(859)	23,568
	<u>268,991</u>	<u>179,296</u>

Edmund Bell & Co Limited

Notes forming part of the financial statements
for the year ended 30 November 2007 (Continued)

4 Interest receivable and similar income

	2007 £	2006 £
Bank interest	26,155	13,084
Interest on amounts due from group undertakings	42,428	46,750
	<u>68,583</u>	<u>59,834</u>

5 Employees

	2007 £	2006 £
Staff costs (including directors) consist of		
Wages and salaries	1,424,362	1,437,608
Social security costs	160,882	142,873
Other pension costs	75,327	69,441
	<u>1,660,571</u>	<u>1,649,922</u>

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

	2007 Number	2006 Number
Management and administration	47	46
Manufacturing	13	13
	<u>60</u>	<u>59</u>

6 Directors' remuneration

	2007 £	2006 £
Directors' emoluments	238,027	342,064
Company contributions to defined contribution scheme	14,468	14,615
	<u></u>	<u></u>
<i>Highest paid director</i>		
Directors' emoluments	128,759	134,870
Company contributions to defined contribution scheme	8,555	6,397
	<u></u>	<u></u>

There were 3 directors in the company's defined contributions pension scheme during the year (2006 4)

The emoluments of E C Jett and P R Hauser are paid by the ultimate holding company, Leggett & Platt Inc. Their services as directors to Edmund Bell & Co Limited are of a non executive nature and are deemed to be wholly attributable to their services to Leggett & Platt Inc.

Edmund Bell & Co Limited

Notes forming part of the financial statements
for the year ended 30 November 2007 (Continued)

7 Taxation on profit on ordinary activities

	2007 £	2006 £
<i>UK corporation tax</i>		
Current tax on profits of the year	96,642	201,034
Adjustment in respect of previous period	(13,601)	-
	<hr/>	<hr/>
Total current tax	83,041	201,034
<i>Deferred tax</i>		
Origination and reversal of timing differences	2,010	7,430
	<hr/>	<hr/>
Taxation on profit on ordinary activities	85,051	208,464
	<hr/>	<hr/>

The tax assessed for the period is lower than the standard rate of corporation tax in the UK The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before tax	292,159	669,002
	<hr/>	<hr/>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 30 % (2006 – 30%)	87,647	200,701
Effects of		
Expenses not deductible for tax purposes	7,802	7,971
Capital allowances for period in excess of depreciation	4,012	(6,189)
Adjustment to tax charge in respect of previous periods	(13,601)	-
Short term timing differences	(2,819)	(1,449)
	<hr/>	<hr/>
Current tax charge for year	83,041	201,034
	<hr/>	<hr/>

8 Dividends

	2007 £	2006 £
Ordinary shares		
Interim dividend of £nil per share (2006 – £251 96)	-	4,500,000
	<hr/>	<hr/>

Edmund Bell & Co Limited

Notes forming part of the financial statements
for the year ended 30 November 2007 (Continued)

9 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<i>Cost</i>				
At 1 December 2006	427,245	96,547	335,714	859,506
Additions	-	-	5,304	5,304
Disposals	-	-	(7,163)	(7,163)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2006	427,245	96,547	333,855	857,647
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 December 2006	313,403	86,799	285,160	685,362
Provided for the year	33,608	4,640	25,043	63,291
Disposals	-	-	(6,995)	(6,995)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2007	347,011	91,439	303,208	741,658
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 30 November 2007	80,234	5,108	30,647	115,989
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 November 2006	113,842	9,748	50,554	174,144
	<hr/>	<hr/>	<hr/>	<hr/>

Included within fixed assets is plant and machinery with a cost of £107,060 (2006 £107,060) and net book value of £4,260 (2006 £14,487) which is leased to a third party under an operating lease. Depreciation charged on the asset amounted to £10,226 (2006 £10,226). The lease expired during the year.

10 Stocks

	2007 £	2006 £
Goods held for resale	3,579,354	3,504,311
	<hr/>	<hr/>

There is no material difference between the replacement cost of stocks and the amounts stated above.

Edmund Bell & Co Limited

Notes forming part of the financial statements
for the year ended 30 November 2007 (Continued)

11 Debtors

	2007 £	2006 £
Trade debtors	3,432,230	3,665,307
Amounts owed by group undertakings	1,306,118	4,956
Prepayments and accrued income	119,751	111,532
Deferred tax	22,153	24,163
	<hr/>	<hr/>
	4,880,252	3,805,958
	<hr/>	<hr/>

Interest has been charged on group balances at the rate of 5% per annum

Deferred Tax

	£
At 1 December 2006	24,163
Debited to profit and loss account	(2,010)
	<hr/>
At 30 November 2007 (note 11)	22,153
	<hr/>

Deferred taxation

	2007 £	2006 £
Accelerated capital allowances	8,245	6,443
Short term timing differences	13,908	17,720
	<hr/>	<hr/>
	22,153	24,163
	<hr/>	<hr/>

12 Creditors: amounts falling due within one year

	2007 £	2006 £
Bank Overdraft	3,996,346	-
Trade Creditors	2,246,965	2,029,087
Bills of exchange payable	251,850	230,916
Amounts owed to group undertakings	705,801	4,391,983
Taxation and social security	58,091	51,892
Accruals and deferred income	272,107	298,629
Corporation tax	67,576	111,404
	<hr/>	<hr/>
	7,598,736	7,113,911
	<hr/>	<hr/>

Edmund Bell & Co Limited

Notes forming part of the financial statements
for the year ended 30 November 2007 (*Continued*)

13 Provisions for liabilities and charges

	Dilapidations Provision £
At 1 December 2006	-
Charged to profit and loss account	42,741
	<hr/>
At 30 November 2007	42,741
	<hr/>

14 Share capital

	2007 £	2006 £
<i>Authorised</i> 40,000 shares of £1 each	40,000	40,000
	<hr/>	<hr/>
	2007 £	2006 £
<i>Allotted, called up and fully paid</i> 17,860 shares of £1 each	17,860	17,860
	<hr/>	<hr/>

15 Reserves

	Capital redemption reserve £	Profit and loss account £
At 1 December 2006	20,540	737,562
Profit for the year	-	207,108
	<hr/>	<hr/>
At 30 November 2007	20,540	944,670
	<hr/>	<hr/>

16 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit for the year	207,108	460,538
Dividends	-	(4,500,000)
	<hr/>	<hr/>
Net addition to /(withdrawal from) shareholders funds	207,108	(4,039,462)
Opening shareholders' funds	775,962	4,815,424
	<hr/>	<hr/>
Closing shareholders' funds	983,070	775,962
	<hr/>	<hr/>

Edmund Bell & Co Limited

Notes forming part of the financial statements
for the year ended 30 November 2007 (Continued)

17 Commitments under operating leases

The company had annual commitments under non-cancellable operating leases as set out below

	2007 Land and buildings £	2007 Other £	2006 Land and buildings £	2006 Other £
Operating leases which expire				
Within one year	11,667	10,870	-	6,773
In two to five years	178,000	33,343	211,000	32,828
	<u>189,667</u>	<u>44,213</u>	<u>211,000</u>	<u>39,601</u>

18 Ultimate parent company

The immediate parent undertaking is Leggett & Platt UK Limited. Copies of the consolidated financial statements are available from Companies House.

The ultimate parent undertaking and controlling party is Leggett & Platt Inc, a company incorporated in the USA. This is the parent of the smallest and largest group to consolidate these financial statements. Copies of the financial statements are available from Leggett & Platt Incorporated, No. 1 Leggett Road, Carthage, Missouri, 64836.

19 Related party transactions

The company has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related party disclosures", not to disclose related party transactions with members of the group or associates or joint ventures of other group members as it is a 100% subsidiary of a company for which consolidated financial statements are publicly available.

20 Contingent Liabilities

The company is party to an unlimited cross guarantee in respect of the bank overdrafts of certain companies in the Leggett & Platt Group. The company has a contingent liability in respect of these borrowings which at 30 November 2007 amounted to £4,575,574 (30 November 2006 £nil).

21 Post balance sheet events

On 14 May 2008 the company announced its intention to close the Rochdale site. The associated costs of closure are estimated to be in the region of £140,000 relating to redundancy costs, termination of the lease and stock write-down.