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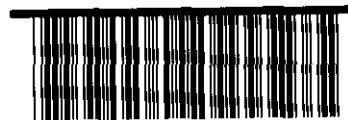
GASCOIGNE DESIGNS UPHOLSTERY

MANUFACTURERS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30th APRIL 1999



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COMPANIES HOUSE 25/02/00

PHIPP & CO.  
CHARTERED ACCOUNTANTS  
6 Nottingham Road  
Long Eaton  
Nottingham  
NG10 1HP

GASCOIGNE DESIGNS UPHOLSTERY MANUFACTURERS LIMITED

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GASCOIGNE DESIGNS UPHOLSTERY MANUFACTURERS LIMITEDRegistered in England No. 2801088COMPANY PARTICULARSDIRECTORS

D. A. Gascoigne

SECRETARY

Mrs L. D. Gascoigne

REGISTERED OFFICE6, Nottingham Road  
Long Eaton  
NottinghamBANKERSNational Westminster Bank Plc  
51, Market Place  
Long Eaton  
NottinghamAUDITORSPhipp & Co.  
Chartered Accountants  
6 Nottingham Road  
Long Eaton  
Nottingham  
NG10 1HP

GASCOIGNE DESIGNS UPHOLSTERY MANUFACTURERS LIMITEDDIRECTORS' REPORT

The Directors present their report to the members, together with the annual accounts for the year ended 30th April 1999.

PRINCIPAL ACTIVITY

The principal activity of the company, which is unchanged since last year, is Upholstery

Year 2000

The company has examined its exposure to the year 2000 issue in computer systems and does not expect its business to be materially affected.

DIRECTORS

The directors of the company and their interests in shares of the company are set out below. There was no change in the composition of the board of directors in the year.

	Ordinary shares of £1 each	
	30th April 1999	30th April 1998
D. A. Gascoigne	100	100

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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 period. In preparing those financial statements, the directors are required to :

- \* select suitable accounting policies and apply them consistently;
- \* make judgements and estimates that are reasonable and prudent;
- \* prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

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.

DONATIONS

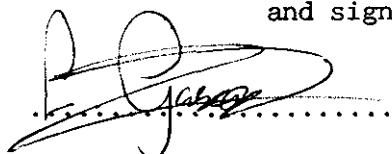
No political or charitable donations were made during the year.

AUDITORS

A resolution to re-appoint the auditors will be proposed at the Annual General Meeting.

The Directors report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 29th July 1999,  
and signed on their behalf by:



Mrs L. D. Gascoigne  
Secretary

AUDITORS' REPORT TO THE MEMBERS OF  
GASCOIGNE DESIGNS UPHOLSTERY MANUFACTURERS LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of 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 accounts 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 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 evaluate 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's affairs at 30th April 1999, and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 as applicable to small sized companies.

.....  
 PHIPP & CO  
 CHARTERED ACCOUNTANTS  
 and Registered Auditors

Date...21 February 2000  
 6 Nottingham Road  
 Long Eaton  
 Nottingham NG10 1HP

GASCOIGNE DESIGNS UPHOLSTERY MANUFACTURERS LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 30th APRIL 1999

	<u>Notes</u>	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
TURNOVER	2	1,050,995	867,767
Cost of Sales		<u>772,588</u>	<u>691,602</u>
GROSS PROFIT		278,407	176,165
Distribution costs	71,599	37,486	
Administrative expenses	<u>156,981</u>	<u>168,336</u>	
		228,580	205,822
		49,827	(29,657)
Other Operating Income		<u>28,000</u>	<u>64,000</u>
OPERATING PROFIT		77,827	34,343
Interest payable	4	(20,140)	(19,825)
		<u>(20,140)</u>	<u>(19,825)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	57,687	14,518
Tax on profit on ordinary activities	5	<u>12,191</u>	<u>3,533</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		45,496	10,985
Dividends		<u>7,500</u>	<u>-</u>
RETAINED PROFIT FOR THE YEAR		<u>£ 37,996</u>	<u>£ 10,985</u>
STATEMENT OF RETAINED PROFIT			
Retained profit brought forward		59,514	48,529
Retained Profit for the Year		<u>37,996</u>	<u>10,985</u>
RETAINED PROFIT CARRIED FORWARD		<u>£ 97,510</u>	<u>£ 59,514</u>

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the above two financial years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit for the above two financial years.

GASCOIGNE DESIGNS UPHOLSTERY MANUFACTURERS LIMITEDBALANCE SHEET  
AT 30th APRIL 1999

	<u>Notes</u>	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
<b>FIXED ASSETS</b>			
Tangible Assets	6	229,456	239,797
<b>CURRENT ASSETS</b>			
Stock	7	135,050	124,959
Debtors	8	222,210	127,605
Bank & Cash Balances		100	100
		<u>357,360</u>	<u>252,664</u>
<b>Creditors - amounts falling due within one year</b>			
Bank Overdrafts		28,944	63,086
Trade creditors		186,361	124,039
Sundry creditors	9	112,676	68,469
		<u>327,981</u>	<u>255,594</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>29,379</u>	<u>(2,930)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>258,835</u>	<u>236,867</u>
<b>Creditors - amounts falling due after more than one year</b>			
	10	161,227	177,253
		<u>£ 97,608</u>	<u>£ 59,614</u>
<b>Called up Share Capital</b>	11	100	100
<b>Reserves</b>	12		
Profit and Loss Account		97,508	59,514
		<u>£ 97,608</u>	<u>£ 59,614</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 21 February 2000 and signed on their behalf by:

..... ( D. A. Gascoigne - Director )

GASCOIGNE DESIGNS UPHOLSTERY MANUFACTURERS LIMITEDNOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30th APRIL 1999**1. ACCOUNTING POLICIES****a. Convention**

These financial statements have been prepared under the historical cost convention.

**b. Turnover**

Turnover represents sales at invoiced amounts after deduction of value added tax.

**c. Deferred Taxation**

Provision is made for taxation liabilities arising from the allocation of items to different periods for taxation and for accounting purposes, to the extent that it is probable that a liability will crystallise.

**d. Depreciation**

Depreciation is calculated to write down the cost or valuation of all fixed assets to their estimated residual values over their expected useful lives as follows:-

Motor Vehicles	25% On Reducing Balance
Plant and Equipment	15% On Reducing Balance
Freehold Property	2% On Cost

Depreciation is charged for the whole year of acquisition but none is charged in the year of disposal. No provision is made for the increased replacement cost of fixed assets.

**e. Leased Assets**

Fixed assets leased under finance leases are capitalised and depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding. The cost of operating leases are charged to the profit and loss account as they accrue.

**f. Stock and Work in Progress**

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

**g. Cash Flow Statement**

The Company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

**2. TURNOVER**

The turnover and profit before taxation is attributable to the principal activity of the Company, and is earned entirely within the United Kingdom.



NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30th APRIL 1999

3. PROFIT ON ORDINARY ACTIVITIES

	<u>1999</u> £	<u>1998</u> £
Profit on Ordinary Activities before taxation is arrived at after charging:		
Amounts Written Off Tangible Assets -		
Owned Assets	8,942	6,168
Assets Under Hire Purchase Contracts	2,869	3,825
	<u>11,811</u>	<u>9,993</u>
Auditors Remuneration	<u>3,300</u>	<u>2,500</u>

4. INTEREST PAYABLE

	<u>1999</u> £	<u>1998</u> £
Bank Loan Interest	19,404	18,907
Hire Purchase Interest	736	918
	<u>20,140</u>	<u>19,825</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1999</u> £	<u>1998</u> £
Taxation is based on the Profit for the Year and Comprises:		
UK Corporation Taxation @ 21%/20%	12,893	3,700
Over/Under Provisions in Earlier Years	(702)	(167)
	<u>12,191</u>	<u>3,533</u>

GASCOIGNE DESIGNS UPHOLSTERY MANUFACTURERS LIMITEDNOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30th APRIL 19996. TANGIBLE ASSETS

<u>COST</u>	Motor Vehicles £	Plant and Equipment £	Land and Buildings £	TOTAL £
At 1st May 1998	40,694	22,752	202,892	266,338
Additions	-	1,470	-	1,470
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th April 1999	40,694	24,222	202,892	267,808
	<hr/>	<hr/>	<hr/>	<hr/>
<u>DEPRECIATION</u>				
At 1st May 1998	18,505	8,036	-	26,541
Charge for the year	5,547	2,207	4,057	11,811
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th April 1999	24,052	10,243	4,057	38,352
	<hr/>	<hr/>	<hr/>	<hr/>
<u>NET BOOK VALUE</u>				
At 30th April 1999	16,642	13,979	198,835	229,456
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th April 1998	22,189	14,716	202,892	239,797
	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of motor vehicles is analysed as follows:-

	<u>1999</u> £	<u>1998</u> £
Owned Assets	8,036	10,714
Assets Under Hire Purchase Contracts	8,606	11,475
	<hr/>	<hr/>
	16,642	22,189
	<hr/>	<hr/>

7. STOCKS

	<u>1999</u> £	<u>1998</u> £
Raw Materials	100,747	83,324
Finished Goods	34,303	41,635
	<hr/>	<hr/>
	135,050	124,959
	<hr/>	<hr/>

8. DEBTORS

	<u>1999</u> £	<u>1998</u> £
Trade Debtors	221,075	126,795
Prepayments and Accrued Income	1,135	810
	<hr/>	<hr/>
	222,210	127,605
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30th APRIL 1999

9. CREDITORS - amounts falling due within  
one year

	<u>1999</u>	<u>1998</u>
	£	£
Other Loans	22,446	21,829
Director's Current Account	20,678	14,700
Corporation Tax	12,893	3,700
Other Taxation and Social Security	38,600	19,951
Accruals and Deferred Income	12,950	3,180
Obligations Under Hire Purchase Contracts	5,109	5,109
	<u>112,676</u>	<u>68,469</u>

10. CREDITORS - amounts falling due after  
one year

	<u>1999</u>	<u>1998</u>
	£	£
Other Loans	7,951	5,113
Bank Loans	153,276	172,140
	<u>161,227</u>	<u>177,253</u>

The Bank Loans fall due in instalments  
as follows:

Between one and two years	22,736	25,614
Between two and five years	64,375	62,792
After five years	66,165	83,734

11. SHARE CAPITAL

	<u>1999</u>	<u>1998</u>
	£	£
<b>Authorised</b>		
Authorised Share Capital - Ordinary	100	100
<b>Called Up, Allotted and Fully Paid</b>		
SHARE CAPITAL	<u>100</u>	<u>100</u>

12. RESERVES

	Profit and Loss Account £
Balance at 1st May 1998	59,514
Retained Profit for the Year	37,996
Balance at 30th April 1999	<u>97,510</u>

13. DIRECTORS

	<u>1999</u>	<u>1998</u>
	£	£
Emoluments of directors of the company were as follows:		
Management Remuneration	20,520	20,023
	<u>20,520</u>	<u>20,023</u>

GASCOIGNE DESIGNS UPHOLSTERY MANUFACTURERS LIMITEDNOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 30th APRIL 199914. RELATED PARTY TRANSACTIONS

Charges have been made to an associated company David Gascoigne Interiors Limited for supplies and management charges totalling £28,000.  
(1998- £161,500 )