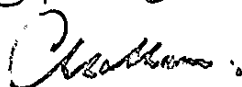


SCHREIBER FURNITURE LIMITEDDIRECTORS' REPORT AND ACCOUNTSMARCH 31ST 1979No of Company: 351545

In accordance with the requirements of Section 6, Companies Act 1976, we hereby deliver accounts in respect of the accounting reference period ended 31 March 1979, as laid before members in General Meeting and certify that the Balance Sheet, (including every document required by law to be annexed thereto), the Report of the Auditors thereon, and the Report of the Directors accompanying it, are true copies of the documents presented to members.



Director



Secretary



SCHREIBER FURNITURE LIMITED

DIRECTORS' REPORT for the year ended 31st March 1979

ACTIVITIES

The main activity of the Company during the year continued to be the manufacture of domestic furniture.

RESULTS

	1979 £	1978 £
Profit for the year before taxation	5,440,349	2,487,527
Taxation	2,863,347	1,460,725
Retained Profit transferred to Reserve	<u>£2,577,002</u>	<u>£1,026,802</u>

DIVIDEND

The Directors do not recommend a dividend on the share capital of the Company in respect of the year.

DIRECTORS

The following were directors of the Company throughout the year:

C S Schreiber	(Chairman and Managing)
D H Thomas	(Deputy Managing)
R C Eliason	
R V Giblin	
D G Marshall	
E E Marshall	
L A Martin	(Appointed 1 April 1978)
C J Millward	(" " " ")
G S Morris	
H F Noyes	

Messrs C S Schreiber, D H Thomas and G S Morris are directors of the Holding Company and their declarable interest in the shares of the Group are disclosed in the Holding Company's accounts. The declarable interests of the remainder of the directors during the year are set out below:-

GEC Schreiber Limited Ordinary Shares of £1 each

R C Eliason	54,299
R V Giblin	40,724
D G Marshall	27,149
E E Marshall	54,299
L A Martin	54,299
H F Noyes	54,299

FIXED ASSETS

Expenditure on Fixed Assets during the year amounted to £4,321,756.

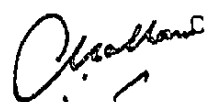
DONATIONS

£524 was donated for charitable purposes. No donations of a political nature were made during the year.

AUDITORS

In accordance with Section 14 of the Companies Act 1976, a resolution proposing the reappointment of Touche Ross & Co, as auditors of the Company, will be put to members at the forthcoming Annual General Meeting.

By Order of the Board

 C L LATHAM
Secretary

Edinburgh Way
Harlow Essex

4 June 1979

AUDITORS' REPORT TO THE MEMBERS

of

SCHREIBER FURNITURE LIMITED

In our opinion the attached accounts and notes thereon set out on pages 4 to 10, which have been prepared under the historical cost convention, comply with the Companies Acts 1948 and 1967 and give a true and fair view of the state of the Company's affairs at 31st March 1979 and of its Profit and Source and Application of Funds for the year ended on that date.



TOUCHE ROSS & CO

Chartered Accountants

3 London Wall Buildings
London EC2M 5PH

4 June 1979

SCHREIFER FURNITURE LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31st March 1979

			1978
	Note	£	£
<u>TURNOVER</u>	1	<u>£65,892,729</u>	<u>£49,130,239</u>
<u>PROFIT before Taxation</u>	2	5,440,349	2,487,527
<u>TAXATION</u>	3	<u>2,863,347</u>	<u>1,460,725</u>
<u>PROFIT after Taxation</u> transferred to Reserve		<u>£2,577,002</u>	<u>£1,026,802</u>

SCHREIBER FURNITURE LIMITED

BALANCE SHEET as at 31st March 1979

	<u>NOTE</u>	£	1979	£	1978	£
<u>FIXED ASSETS</u>						
Leasehold Property -						
Short Leases	4	-			69,228	
Plant, Equipment & Transport			<u>10,117,501</u>		<u>7,410,791</u>	
			10,117,501			7,480,019
<u>CURRENT ASSETS</u>						
Bank & Cash Balances	5	3,032,499			16,009	
Debtors		9,031,054			1,036,391	
Stock & Work in Progress	6	11,292,135			11,012,576	
Taxation		1,870			83,064	
Amount due from Fellow Subsidiary Companies			<u>1,314,199</u>		<u>6,719,911</u>	
			<u>24,671,757</u>		<u>18,867,951</u>	
<u>CURRENT LIABILITIES</u>						
Bank Overdraft (Secured)		-			1,215,702	
Creditors		10,091,661			6,564,731	
Bills Payable		4,564,576			4,305,894	
Amount due to Parent Company		56,219			(611,999)	
			<u>14,712,456</u>		<u>11,474,328</u>	
			<u>9,959,301</u>		<u>7,393,623</u>	
<u>NET CURRENT ASSETS</u>			<u>£20,076,802</u>		<u>£14,873,642</u>	
<u>FINANCED BY:</u>						
SHARE CAPITAL	7		25,000		25,000	
RESERVES	8		<u>9,192,159</u>		<u>6,615,157</u>	
<u>SHAREHOLDERS' FUNDS</u>			<u>9,217,159</u>		<u>6,640,157</u>	
DEFERRED TAX	9		9,359,643		6,733,485	
PARENT COMPANY LOAN ACCOUNT			1,500,000		1,500,000	

C S SCHREIDER)
D H THOMAS) Directors

[Signature]
[Signature]

£20,076,802

£14,873,642

SCHREIBER FURNITURE LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

SOURCE OF FUNDS	1979		1978	
	£	£	£	£
Retained Profit		2,577,002		1,026,802
Adjustment for items not involving the movement of funds:				
Depreciation	1,634,522		1,213,492	
Deferred Taxation	<u>2,707,352</u>		<u>1,378,232</u>	
		<u>4,341,874</u>		<u>2,591,724</u>
TOTAL GENERATED FROM OPERATIONS:		6,918,876		3,618,526
Disposal of Fixed Assets		<u>48,752</u>		<u>227,621</u>
		<u>6,968,628</u>		<u>3,846,147</u>
APPLICATION OF FUNDS				
Purchase of Fixed Assets		4,321,756		3,378,480
INCREASE/(DECREASE) IN WORKING CAPITAL				
Increase in Stocks	279,559		2,257,816	
Increase/(Decrease) in Debtors	7,994,663		(181,086)	
Increase/(Decrease) in amount due by:				
Fellow Subsidiary Company	(5,405,712)		1,808,883	
Parent Company	(668,218)		(452,411)	
(Increase) in Creditors	(3,785,612)		(1,455,608)	
Decrease/(Increase) in Overdraft	<u>4,232,192</u>		<u>(1,509,927)</u>	
		<u>2,646,872</u>		<u>467,667</u>
		<u>6,968,628</u>		<u>3,846,147</u>

SCHREIBER FURNITURE LIMITED

NOTES TO THE ACCOUNTS 31ST MARCH 1979

1 TURNOVER

Turnover represents the net value of goods sold, before discounts, exclusive of Value Added Tax, including sales to other Group Companies.

2 PROFIT FOR THE YEAR BEFORE TAXATION

	1979 £	1978 £
(a) The profit for the year is after crediting:-		
Rents received less expenses	1,386	1,311
Bank Interest Receivable	50,582	-
(b) The profit for the year is after charging:-		
Auditors' remuneration	16,333	14,000
Depreciation	1,634,522	1,213,492
Hire of plant and equipment	696,415	636,520
Bank Interest	-	200,624
Other Interest Charges	149,091	58,077
Directors' remuneration (see note 2(c) as executives)	111,667	66,986
(c) Additional information concerning Directors' and Employees' emoluments is as follows:-		
(i) Emoluments of the Chairman	Nil	Nil
(ii) Emoluments of the highest paid Director	£17,783	£15,920
(iii) Other Directors had emoluments within the indicated ranges:		
£ 0 - £ 2,500	2	2
£ 2,501 - £ 5,000	-	1
£ 5,001 - £ 7,500	1	-
£10,001 - £12,500	-	1
£12,501 - £15,000	2	1
£15,001 - £17,500	2	1
£17,501 - £20,000	1	-
(iv) The emoluments of employees of the Company who were not directors and whose emoluments exceeded £10,000 fell within the following ranges:-		
£10,000 - £12,500	10	-
£12,501 - £15,000	1	1

3 TAXATION

	£	£
United Kingdom Corporation Tax at 52% payable - subject to Group Relief	229,084	(83,064)
Deferred Taxation	2,637,080	1,378,232
	<hr/>	<hr/>
Charge for Taxation on results for the year	2,866,164	1,295,168
Adjustments relating to prior years: Corporation Tax over-provided	(2,817)	165,557
	<hr/>	<hr/>
	<u>£2,863,347</u>	<u>£1,460,725</u>

4 FIXED ASSETS

	Property on Short Lease £	Plant Equipment & Transport £	TOTAL £
<u>Cost at 31st March 1978</u>	79,575	12,710,902	12,790,477
Additions during year	-	4,321,756	4,321,756
Disposals during year	-	(400,369)	(400,369)
	<hr/>	<hr/>	<hr/>
<u>Costs at 31st March 1979</u>	79,575	16,632,289	16,711,864
Accumulated Depreciation 31st March 1979	79,575	6,514,788	6,594,363
	<hr/>	<hr/>	<hr/>
<u>Net Book Value 31st March 1979</u>	-	10,117,501	10,117,501
	<hr/>	<hr/>	<hr/>
<u>Net Book Value 31st March 1978</u>	<u>£89,228</u>	<u>£7,410,791</u>	<u>£7,480,019</u>

PROPERTY

Short leases are those with less than 50 years unexpired.

PLANT, EQUIPMENT AND TRANSPORT

Depreciation is provided by equal annual instalments over the anticipated lives of the assets at the following rates:-

Plant and Equipment	10%
Transport	25%
Jigs and Tools	33 1/3%

5 BANK BALANCE

The Bank Balance is part of a composite account operated in the name of the Holding Company. Under the terms of the agreement each Company is jointly and severally liable for the total amount owing to the Bank on the composite account which, at 31st March 1979, amounted in total to £5,194,000.

6 STOCK AND WORK IN PROGRESS

Stock and Work in Progress has been valued at the lower of cost and net realisable value. Cost is represented by raw materials, labour and an appropriate proportion of factory overheads, and comprised:

	1979 £	1978 £
Finished Goods	5,384,941	6,066,340
Factory Stocks including Work in Progress	5,907,194	4,946,236
	<u>£11,292,135</u>	<u>£11,012,576</u>

7 SHARE CAPITAL

	1979	1978
Authorised, issued and fully paid 25,000 Ordinary Shares of £1 each	<u>£25,000</u>	<u>£25,000</u>

8 RESERVES

	<u>Distributable Reserve</u> £
Balance at 31st March 1978	6,615,157
Retained Profits	<u>2,577,002</u>
Reserve at 31st March 1979	<u>£9,192,159</u>

9 DEFERRED TAXATION

The amount set aside for Deferred Taxation at the current rates of taxation comprises:

	1979 £	1978 £
Provision for the equalisation on excess of Capital Allowances on Plant and Machinery and Industrial Buildings over depreciation	5,466,249	3,729,677
Provision for tax on Capital Gains arising in event of properties being sold at their revalued figure, and on Capital Gains "rolled over"	21,239	21,239
Provision for tax on the amount of "Stock Appreciation Relief"	3,872,155	2,982,569
	<u>£9,359,643</u>	<u>£6,733,485</u>

10 ULTIMATE HOLDING COMPANY

The Ultimate Holding Company is The General Electric Company Limited, incorporated in Great Britain.

11 CAPITAL COMMITMENTS

Future capital expenditure authorised by the Board amounts to £2,661,136 (1978 £211,852), which represents contracts already placed but not dealt with in these accounts.

12 CONTINGENT LIABILITIES

As a result of cross guarantees in favour of the Group bankers, the Company had a contingent liability for £8,206,522.

13 INCOME AND CORPORATION TAXES ACT 1970 - CLOSE COMPANY PROVISIONS

The close company provisions of the Income and Corporation Taxes Act 1970, do not apply to the Company.