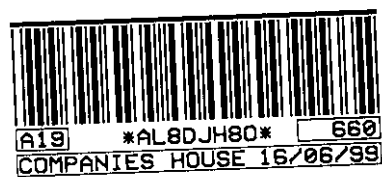


Registered number 1368516

CAERLEON PERIOD FURNISHINGS LIMITED

REPORT AND ACCOUNTS
Year ended 31st August 1998



NOTLEY PEARSON SHEWRING
Chartered Accountants
38 Chepstow Road
Newport
South Wales
NP9 1PT

CAERLEON PERIOD FURNISHINGS LIMITED

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OFFICERS AND PROFESSIONAL ADVISERS

Registered Number

1368516

Directors

E. R. Preece
D. G. Worgan
Mrs B. M. Preece
Mrs B. Worgan

Secretary

D. G. Worgan

Registered Office

195 Caerleon Road
Newport
South Wales
NP9 7HA

Accountants

Notley Pearson Shewring
Chartered Accountants
38 Chepstow Road
Newport
South Wales
NP9 1PT

Bankers

National Westminster PLC
High Street
Newport
South Wales

REPORT OF THE DIRECTORS

Year ended 31st August 1998

The directors present their annual report on the affairs of the company, together with the financial statements and accountants report for the above year.

PRINCIPAL ACTIVITY

The company's principal activity during the year was that of retail and contract furnishers.

DIRECTORS' RESPONSIBILITIES

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:

- a select suitable accounting policies and then apply them consistently;
- b make judgements and estimates that are reasonable and prudent;
- c 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.

DIRECTORS AND THEIR BENEFICIAL INTERESTS

The directors of the company during the year and their beneficial interests in the issued share capital of the company at the beginning and end of the year were:

	Ordinary Shares of £1 each	
	At end of year	At beginning of year
E. R. Preece	5,100	5,100
D. G. Worgan	4,900	4,900
Mrs B. M. Preece	Nil	Nil
Mrs B. Worgan	Nil	Nil

Continued

REPORT OF THE DIRECTORS (Continued)
Year ended 31st August 1998

SMALL COMPANY EXEMPTIONS

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

BY ORDER OF THE BOARD

D. G. Worgan
Secretary
Date:

DWors

10 June 1999

PROFIT AND LOSS ACCOUNT

Year ended 31st August 1998

	Notes		1997
TURNOVER	2	133,342	148,841
Cost of sales		92,710	93,172
GROSS PROFIT		40,632	55,669
Administrative expenses		38,920	35,250
OPERATING PROFIT		1,712	20,419
Other income		-	250
Interest payable		(2,544)	(2,614)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(832)	18,055
Tax on ordinary activities	4	0	0
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(832)	18,055
Retained losses brought forward			
As previously stated		(22,419)	(45,057)
Prior period adjustment	10	-	4,583
		(22,419)	(40,474)
RETAINED LOSSES CARRIED FORWARD		£ (23,251)	£ (22,419)

The notes attached form part of these financial statements.

BALANCE SHEET

At 31st August 1998

	Notes		1997
FIXED ASSETS			
Tangible assets	5	7,527	9,424
		<u>7,527</u>	<u>9,424</u>
CURRENT ASSETS			
Stock		26,959	27,941
Debtors and prepayments	6	20,741	23,000
		<u>47,700</u>	<u>50,941</u>
CREDITORS:AMOUNTS FALLING DUE WITHIN ONE YEAR	7	44,247	48,412
		<u>44,247</u>	<u>48,412</u>
NET CURRENT ASSETS		3,453	2,529
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,980</u>	<u>11,953</u>
CREDITORS:AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
	7	(24,231)	(24,372)
		<u>£ (13,251)</u>	<u>£ (12,419)</u>
CAPITAL AND RESERVES			
Called up share capital	8	10,000	10,000
Revenue reserve		(23,251)	(22,419)
		<u>(13,251)</u>	<u>(12,419)</u>
SHAREHOLDERS FUNDS		<u>£ (13,251)</u>	<u>£ (12,419)</u>

These financial statements were approved by the Board on 10 June 1999.

For the year in question, the company was entitled to exemption from an audit under section 249A(1) of the Companies Act 1985. No notice has been deposited under section 249B(2) of the Act in relation to the financial statements for the financial year. The directors acknowledge their responsibilities for:

- a ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985; and
- b preparing financial statements which give a true and fair view of the state of affairs of the company, as at the end of the financial year, and of its profit or loss for the financial year in accordance with the requirements of Section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

E. R. Preece



Director

The notes attached form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st August 1998

1 ACCOUNTING POLICIES

- a The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities.
- b Turnover represents the net amount of invoices to customers less credit notes for goods returned and excludes VAT.
- c Depreciation is provided on all tangible fixed assets on the following basis:
- | | | |
|-----------------------|--------------------|-----|
| Motor vehicles | written down value | 25% |
| Fixtures and fittings | written down value | 15% |
- d Stock is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving items.
- e Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.
- f Pension costs are charged in the year in which the premiums are payable. Differences between amounts paid and amounts charged are included in the Balance Sheet as provisions or prepayments.

2. TURNOVER

The turnover and loss before taxation is attributable to the Company's principal activity, namely retail and contract furnishers.

3 OPERATING PROFIT

	1998	1997
This is stated after charging:		
Depreciation of tangible fixed assets	1,897	997
Directors' remuneration	18,611	16,682

4 TAXATION

Due to continued losses there is no liability to Corporation Tax.

Deferred tax has not been provided for as in the opinion of the directors the liability will not crystallise in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st August 1998

5 FIXED ASSETS

	Fixtures& Fittings	Motor Vehicles	Total
COST			
At 1st September 1997	8,924	6,050	14,974
Additions	-	-	-
Disposals	-	-	-
31st August 1998	8,924	6,050	14,974
DEPRECIATION			
At 1st September 1997	4,328	1,222	5,550
Charged	690	1,207	1,897
Disposals	-	-	-
31st August 1998	5,018	2,429	7,447
NET BOOK VALUE			
31st August 1998	£ 3,906	£ 3,621	£ 7,527
31st August 1997	£ 4,596	£ 4,828	£ 9,424

Motor vehicles includes assets with a net book value of £2,925 (1997 £3,900) held under finance leases. The depreciation in respect of such leases amounted to £975 (1997 £350).

6 DEBTORS

	1998	1997
Trade debtors	20,284	22,570
Prepayments	457	430
	£ 20,741	£ 23,000

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st August 1998

7 CREDITORS:

AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998	1997
Bank overdraft (secured)	13,738	14,884
Trade creditors	10,918	17,116
Directors' current accounts	7,052	8,249
Accruals	3,969	2,447
Hire purchase account (secured)	1,167	1,167
Other taxes and social security costs	7,403	4,549
	<u>£ 44,247</u>	<u>£ 48,412</u>

AMOUNTS FALLING DUE AFTER
MORE THAN ONE YEAR:

Directors' loan accounts	9,000	9,000
N. P. I. loan (secured)	14,356	13,330
Hire purchase (secured)	875	2,042
	<u>£ 24,231</u>	<u>£ 24,372</u>

The bank overdraft is secured by unlimited guarantees granted by two of the directors. The NPI loan is secured on the pension funds of these directors.

8 CALLED UP SHARE CAPITAL

	1998	1997
Authorised: Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Issued and fully paid: Ordinary shares of £1 each	<u>£ 10,000</u>	<u>£ 10,000</u>

9. PENSION COMMITMENTS

The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the Company in an independent administered fund. Pension contributions made by the Company amounted to £1,250 (1997 £1,250).

10. PRIOR PERIOD ADJUSTMENT

The prior period adjustment relates to a revaluation reserve which has been written back to revenue reserves as the asset is no longer held.

11. GOING CONCERN

The company has made a small loss for the year and as at 31 August 1998 the company had net liabilities of £13,251. The directors are confident that trade will improve but the company is dependent upon continuing financial support from the directors and provision of adequate bank facilities.