
LELIEVRE (UK) LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**FOR THE 18 MONTHS ENDED
31 DECEMBER 1996**

Company Number: 01446023



LELIEVRE (UK) LTD

Company Information

Directors	P Lelievre F J Kortenbout
Secretary	F J Kortenbout
Company Number	01446023
Registered Office	101, Cleveland Street, London W1P 5PN
Auditors	Barnes Roffe 840-842 High Road London E10 6AE

DIRECTORS' REPORT FOR THE 18 MONTHS ENDED 31 DECEMBER 1996

The directors present their report and the financial statements for the 18 months ended 31 December 1996.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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 then 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 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.

Principal activity

For the first 9 months of the period the principal activity was that of wholesalers of furnishing fabrics. The company then became selling agents only for the sale of furnishing fabrics.

Directors

The directors who served during the period and their beneficial interests in the company's issued share capital were:

	Ordinary shares of £1 each	
	<u>31.12.96</u>	<u>01.07.95</u>
P Lelievre	-	-
F J Kortenbout	-	-

Auditors

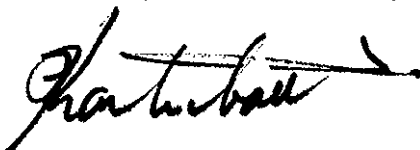
The auditors, Barnes Roffe, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

Small company exemptions

Advantage has been taken in the preparation of this report of the exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

This report was approved by the board on 25 July 1997 and signed on its behalf.

F J Kortenbout
Secretary



AUDITORS' REPORT TO THE SHAREHOLDERS OF LELIEVRE (UK) LTD

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 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 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's affairs as at 31 December 1996 and of its loss for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.


Barnes Roffe
Chartered Accountants
Registered Auditor
840-842 High Road
London
E10 6AE

29 July 1997

LELIEVRE (UK) LTD

PROFIT AND LOSS ACCOUNT For the 18 months ended 31 December 1996

	Note	18 months ended 31 December 1996 £	12 months ended 30 June 1995 £
TURNOVER	1,2	941,774	1,080,545
Cost of sales		(478,869)	(770,345)
GROSS PROFIT		462,905	310,200
Distribution costs		(93,220)	(107,289)
Administrative expenses		(377,238)	(268,101)
Other operating income		-	349
OPERATING LOSS	3	(7,553)	(64,841)
Interest receivable		12,416	11,691
Interest payable	5	(8,432)	(1,111)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,569)	(54,261)
TAXATION	6	(1,200)	3,948
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(4,769)	(50,313)
DIVIDENDS	7	-	(80,000)
LOSS FOR THE PERIOD		(4,769)	(130,313)
RETAINED PROFIT BROUGHT FORWARD		2,756	133,069
(LOSS)/RETAINED PROFIT CARRIED FORWARD		£ (2,013)	£ 2,756

All amounts relate to continuing operations.

There were no recognised gains or losses for 1996 or 1995 other than those included in the profit and loss account.

The notes on pages 5 to 9 form part of these financial statements.

LELIEVRE (UK) LTD

BALANCE SHEET As at 31 December 1996

	Note	£	1996 £	£	1995 £
FIXED ASSETS					
Tangible fixed assets	8		36,023		54,266
CURRENT ASSETS					
Debtors	9	59,593		185,586	
Cash at bank and in hand		25,412		556,438	
		<u>85,005</u>		<u>742,024</u>	
CREDITORS: amounts falling due within one year	10	<u>(122,941)</u>		<u>(788,977)</u>	
NET CURRENT LIABILITIES			<u>(37,936)</u>		<u>(46,953)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(1,913)</u>		<u>7,313</u>
CREDITORS: amounts falling due after more than one year	11		<u>-</u>		<u>(4,457)</u>
NET (LIABILITIES)/ASSETS			<u>£ (1,913)</u>		<u>£ 2,856</u>
CAPITAL AND RESERVES					
Called up share capital	12		100		100
Profit and loss account			<u>(2,013)</u>		<u>2,756</u>
SHAREHOLDERS' FUNDS	13		<u>£ (1,913)</u>		<u>£ 2,856</u>

The directors have taken advantage of special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the financial statements and have done so on the grounds that, in their opinion, the company qualifies as a small company.

The financial statements were approved by the board on 25 July 1997 and signed on its behalf

P. Lelievre

Director

F. J. Kortenbout

Director

The notes on pages 5 to 9 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 1996

1. ACCOUNTING POLICIES**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	-	25%	per annum
Fixtures & equipment	-	20% and 25%	per annum

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.6 Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.7 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

2. TURNOVER

26.08% of the company's turnover (1995 - 2.88%) is attributable to geographical markets outside the United Kingdom.

LELIEVRE (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 1996

3. OPERATING LOSS

The operating loss is stated after charging:

	18 months ended 31 December 1996 £	12 months ended 30 June 1995 £
Depreciation of tangible fixed assets		
- owned by the company	22,937	9,086
Auditors' remuneration	4,700	4,200
Operating lease rentals		
- other	-	3,909
	<u> </u>	<u> </u>

4. DIRECTORS' REMUNERATION

	18 months ended 31 December 1996 £	12 months ended 30 June 1995 £
Other emoluments	£ 91,798	£ 59,527
	<u> </u>	<u> </u>

5. INTEREST PAYABLE

Included in interest payable is interest on finance leases and hire purchase contracts amounting to £1,167 (1995 - £1,111).

6. TAXATION

	18 months ended 31 December 1996 £	12 months ended 30 June 1995 £
Current year taxation		
UK Corporation Tax at 24.5%	1,200	(3,956)
Prior years		
UK Corporation Tax	-	8
	<u> </u>	<u> </u>
	£ 1,200	£ (3,948)
	<u> </u>	<u> </u>

7. DIVIDENDS

	18 months ended 31 December 1996 £	12 months ended 30 June 1995 £
Ordinary - interim paid	£ -	£ 80,000
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 1996

8. TANGIBLE ASSETS

	Plant & Machinery etc £	Total £
Cost or valuation		
At 1 July 1995	84,242	84,242
Additions	4,694	4,694
At 31 December 1996	88,936	88,936
Depreciation		
At 1 July 1995	29,976	29,976
Charge for period	22,937	22,937
At 31 December 1996	52,913	52,913
Net Book Value		
At 31 December 1996	£ 36,023	£ 36,023
At 1 July 1995	£ 54,266	£ 54,266

The net book amounts of Plant & Machinery etc. above include £4,951 (1995 - £22,265) in respect of assets held under finance leases or hire purchase contracts.

9. DEBTORS

	1996 £	1995 £
Due after more than one year	-	790
Due within one year		
Trade debtors	973	151,700
Amounts due from group undertakings	23,459	-
Other debtors	35,161	33,096
	£ 59,593	£ 185,586

LELIEVRE (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 1996

10. CREDITORS:
Amounts falling due within one year

	1996 £	1995 £
Net obligations under finance lease and hire purchase contracts	1,360	10,295
Trade creditors	2,955	629,391
Amounts due to group undertakings	101,045	-
Corporation tax	1,200	20,000
Other creditors	16,381	129,291
	<u>£ 122,941</u>	<u>£ 788,977</u>

Included within other creditors is an amount of £8,269 (1995 - £42,964) relating to social security and other taxes.

11. CREDITORS:
Amounts falling due after more than one year

	1996 £	1995 £
Net obligations under finance lease and hire purchase contracts	-	4,457
	<u>£ -</u>	<u>£ 4,457</u>

Included within the above are amounts falling due as follows:

In 1 - 2 years:

Finance lease and hire purchase obligations	-	4,457
	<u>-</u>	<u>4,457</u>

12. CALLED UP SHARE CAPITAL

	1996 £	1995 £
Authorised		
100 ordinary shares of £1 each	£ 100	£ 100
Allotted, called up and fully paid		
100 ordinary shares of £1 each	£ 100	£ 100

LELIEVRE (UK) LTD

NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 1996

13. SHAREHOLDERS' FUNDS**Reconciliation of movements on shareholders' funds**

	1996	1995
	£	£
Loss for the period	(4,769)	(50,313)
Dividends	-	(80,000)
	(4,769)	(130,313)
Opening shareholders' funds	2,856	133,169
Closing shareholders' funds	£ (1,913)	£ 2,856

14. LOAN TO DIRECTOR

As permitted by the Companies Act 1985, an unsecured (non-interest bearing) housing loan repayable within ten years made to Mr F. Kortenbout was outstanding during the period. The amount of his liability to the company at the period end was £Nil, the maximum during the period being £1,990.

15. PENSION COMMITMENTS

The company operates a defined contributions pension scheme covering the directors and employees. The assets of the scheme are held separately from those of the company in an administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £5,164 (1995: £5,054). Contributions totalling £Nil (1995: £Nil) were payable to the fund at the period end.

16. PARENT COMPANY

The company regards H. Lelievre S.A. (France), incorporated in France as its ultimate holding company.