

LELIEVRE (UK) LIMITED

Registered no. 1446023

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2001



**BYRNE PALMER & CO
14, QUEENS ROAD
HERSHAM
WALTON ON THAMES
SURREY
KT12 5LS**

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LELIEVRE (UK) LIMITED**Directors' Report For The Year Ended 31 December 2001**

The directors present their report and the financial statements of the company for the year ended 31 December 2001.

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:

- 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 a 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

P Lelievre
J Bayldon

Secretary

J Bayldon

Registered Office

1/19 Chelsea Harbour Design Centre
London
SW10 0XE

Principal Activity

The principal activity of the company throughout the year was that of selling agents for the furnishing fabric trade.

Review of Business

The results for the year and the financial position at the year end were considered satisfactory by the directors, who expect continued growth in the foreseeable future.

Directors' Report For The Year Ended 31 December 2001 (cont)

Future Developments

The directors aim to maintain the management policies which have resulted in the company's substantial growth in recent years. They consider that the current year will show a further significant growth in sales.

Fixed Assets

In the opinion of the directors, the market value of freehold land and buildings was not significantly different from book value.

Results and Dividends

The results of the year's trading and the financial position of the company are shown in the annexed accounts.

The company's profit for the year, after taxation, amounted to £3,307 (2000 - £10,843).

The directors recommend that no dividend be paid.

Directors

The present directors are as shown above. All served on the board throughout the year.

The company's Articles of Association do not require directors to retire by rotation.

Auditors

The auditors, Byrne Palmer & Co, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

On behalf of the board

Jane Bayldon

Date: 21 March 2002

J Bayldon - Managing Director

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LELIEVRE (UK) LIMITED

Independent Auditors' Report To The Members Of Lelievre (uk) Limited

We have audited the financial statements of Lelievre (UK) Limited for the year ended 31 December 2001 which comprises the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the directors' report, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, The Directors' Report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

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

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Byrne Palmer & Co
Registered Auditors

14, Queens Road
Hersham
Walton on Thames
Surrey
KT12 5LS

Date: 22 March 2002

Profit And Loss Account For The Year Ended 31 December 2001

	Note	2001 £	2000 £
Turnover	2	470,960	445,699
Cost of sales		685	770
Gross profit		470,275	444,929
Net operating expenses	3	455,549	418,328
Operating profit	4	14,726	26,601
Profit/(loss) on sale of fixed assets		3,250	(610)
Profit on ordinary activities before interest		17,976	25,991
Other interest receivable and similar income		2,125	1,990
Interest payable and similar charges	7	(5,045)	(6,683)
Profit on ordinary activities before taxation		15,056	21,298
Tax on profit on ordinary activities	8	11,749	10,455
Retained profit for the financial year		3,307	10,843
Retained profit brought forward		58,883	48,040
Retained profit carried forward		62,190	58,883

The company's turnover and expenses all relate to continuing operations.

There are no recognised gains or losses other than the profit for the financial year shown above.

The annexed notes form part of these financial statements.

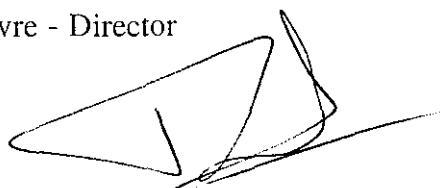
LELIEVRE (UK) LIMITED

Balance Sheet At 31 December 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	9	65,617	82,174
Current assets			
Debtors	10	83,885	80,183
Cash at bank and in hand		48,037	31,552
		<u>131,922</u>	<u>111,735</u>
Creditors			
Amounts falling due within one year	11	<u>102,252</u>	<u>76,259</u>
Net current assets		29,670	35,476
Total assets less current liabilities		<u>95,287</u>	<u>117,650</u>
Creditors			
Amounts falling due after more than one year	12	(32,997)	(58,667)
Net assets		<u>62,290</u>	<u>58,983</u>
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account		62,190	58,883
Shareholders' funds	14	<u>62,290</u>	<u>58,983</u>

These financial statements were approved by the board on 5th March 2002
On behalf of the board

P Lelievre - Director



The annexed notes form part of these financial statements.

LELIEVRE (UK) LIMITED

Cash Flow Statement For The Year Ended 31 December 2001

	Note	2001 £	2000 £
Net cash inflow from operating activities	17	38,314	23,186
Returns on investments and servicing of finance	18	1,676	2,871
Taxation		(12,911)	(9,069)
Capital expenditure	18	(4,334)	(863)
		<hr/> 22,745	<hr/> 16,125
Financing	18	(1,666)	-
Increase in cash	19	<hr/> <hr/> 21,079	<hr/> <hr/> 16,125

The annexed notes form part of these financial statements.

Notes To The Accounts For The Year Ended 31 December 2001

1. Accounting Policies

The accounts have been prepared in accordance with applicable accounting standards. There were no material departures from those standards.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and applicable accounting standards.

The effect of events in relation to the year ended 31 December 2001 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 December 2001 and of the results for the year ended on that date.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Leasehold property	- 20% per annum of cost
Office equipment	- 25% per annum of cost
Fixtures and fittings	- 20% per annum of cost
Motor vehicles	- 25% per annum of cost

Deferred Taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

Leasing

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

2. Turnover

The company's turnover represents the value of goods and services supplied to customers during the year.

LELIEVRE (UK) LIMITED

Notes To The Accounts For The Year Ended 31 December 2001 (cont)

3. Net operating expenses

	2001 £	2000 £
Distribution costs	36,881	8,519
Administrative expenses	418,668	412,316
Other operating income	-	(2,507)
	<u>455,549</u>	<u>418,328</u>

4. Operating profit

Operating profit is stated after charging/(crediting):

	2001 £	2000 £
Directors' emoluments	66,203	67,440
Hire of other assets - operating leases	51,387	53,861
Depreciation and amortisation of owned assets	36,134	38,566
Auditors' remuneration	1,500	3,300
	<u> </u>	<u> </u>

5. Directors' remuneration

There is one director to whom retirement benefits are accruing under a money purchase pension scheme in respect of qualifying services (2000 - 1).

LELIEVRE (UK) LIMITED

Notes To The Accounts For The Year Ended 31 December 2001 (cont)

6. Staff costs

The average number of persons employed by the company, including directors, during the year was as follows:

	2001 Number	2000 Number
Management and administration	4	4
Sales	3	3
	<u>7</u>	<u>7</u>

The aggregate payroll costs of these persons were as follows:

	2001 £	2000 £
Wages and salaries	215,735	203,915
Social security	22,865	22,800
Other pension costs	6,417	6,966
	<u>245,017</u>	<u>233,681</u>

7. Interest payable and similar charges

	2001 £	2000 £
Other loans	4,560	6,480
Finance charges payable - finance leases and hire purchase	485	203
	<u>5,045</u>	<u>6,683</u>

Notes To The Accounts For The Year Ended 31 December 2001 (cont)

8. Taxation on ordinary activities

	2001 £	2000 £
Current year		
Corporation tax at 21 % (2000 20%)	9,051	10,704
Prior year		
Corporation tax under(over) provided	2,698	(249)
	<u>11,749</u>	<u>10,455</u>

Timing differences between recognising net income for tax purposes and net income as reported in the financial statements have accelerated the tax charge for the year. There is, at the balance sheet date, a deferred asset calculated at 21 % amounting to £2,307.

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Notes To The Accounts For The Year Ended 31 December 2001 (cont)

9. Tangible fixed assets

	Land and buildings £	Office equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2001	91,501	26,087	58,916	31,622	208,126
Additions	-	-	3,834	15,745	19,579
Disposals	-	-	-	(15,811)	(15,811)
At 31 December 2001	<u>91,501</u>	<u>26,087</u>	<u>62,750</u>	<u>31,556</u>	<u>211,894</u>
Depreciation					
At 1 January 2001	44,800	20,436	33,046	27,672	125,954
Charge for the year	17,787	2,653	9,776	5,918	36,134
Elimination on disposals	-	-	-	(15,811)	(15,811)
At 31 December 2001	<u>62,587</u>	<u>23,089</u>	<u>42,822</u>	<u>17,779</u>	<u>146,277</u>
Net book value					
At 31 December 2001	<u>28,914</u>	<u>2,998</u>	<u>19,928</u>	<u>13,777</u>	<u>65,617</u>
At 31 December 2000	<u>46,701</u>	<u>5,653</u>	<u>25,870</u>	<u>3,950</u>	<u>82,174</u>

Net book value of land and buildings at 31 December 2001 comprised:

	2001 £	2000 £
Short leasehold property	<u>28,914</u>	<u>46,701</u>

Included in the total net book value of tangible fixed assets held at 31 December 2001 was £13,777 (2000 - £-) in respect of assets held under finance leases and hire purchase contracts.

LELIEVRE (UK) LIMITED

Notes To The Accounts For The Year Ended 31 December 2001 (cont)

10. Debtors

Receivable within one year:

	2001 £	2000 £
Trade debtors	867	132
Amounts owed by group undertakings	34,693	29,041
Other debtors	5,827	4,242
Prepayments and accrued income	19,727	23,997
	<u>61,114</u>	<u>57,412</u>

Receivable after one year:

	2001 £	2000 £
Other debtors	<u>22,771</u>	<u>22,771</u>

Total debtors

	<u>83,885</u>	<u>80,183</u>
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11. Creditors - amounts due within one year

	2001 £	2000 £
Obligations under finance leases and hire purchase contracts	3,998	-
Trade creditors	3,687	11,805
Amounts owed to group undertakings	53,234	32,000
Social security and other taxes	7,872	8,452
Corporation tax payable	9,051	10,213
Accruals and deferred income	24,410	13,789
	<u>102,252</u>	<u>76,259</u>

12. Creditors - amounts due after one year

	2001 £	2000 £
Obligations under finance leases and hire purchase contracts	6,331	-
Amounts owed to group undertakings	26,666	58,667
	<u>32,997</u>	<u>58,667</u>

Obligations under finance leases and hire purchase contracts are secured by related assets.

LELIEVRE (UK) LIMITED

Notes To The Accounts For The Year Ended 31 December 2001 (cont)

Obligations under finance leases and hire purchase contracts

	2001 £	2000 £
Amounts payable:		
Within two to five years	6,331	-
After five years	-	-
	<u>6,331</u>	<u>-</u>

13. Share capital

	2001 £	2000 £
Authorised 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

14. Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	3,307	10,843
Opening shareholders' funds	58,983	48,140
Closing shareholders' funds	<u>62,290</u>	<u>58,983</u>

15. Leasing commitments

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as detailed below:

	Land and buildings £	2001 Other £	Land and buildings £	2000 Other £
Operating leases which expire:				
After more than five years	52,748	-	53,786	-
	<u>52,748</u>	<u>-</u>	<u>53,786</u>	<u>-</u>

LELIEVRE (UK) LIMITED

Notes To The Accounts For The Year Ended 31 December 2001 (cont)

16. Related parties

The company is a wholly owned subsidiary of H Lelievre S.A. and P Lelievre is also a director of the parent company.

Lelievre (UK) Limited received commission of £470,391 and was recharged expenses of £21,234 by the parent during the year.

The parent company has advanced working capital to Lelievre (UK) Limited in past years, repayments of capital of £32,000 and interest of £4,560 were made in the year.

There were balances due from H Lelievre S.A. of £34,693 and due to H Lelievre S.A. of £79,900 at the year end date.

17. Reconciliation of operating profit/(loss) to net cash inflow/(outflow) from operating activities

	2001 £	2000 £
Operating profit	14,726	26,601
Depreciation charge	36,134	38,655
Increase in debtors	(3,702)	(7,096)
Decrease in creditors	(8,844)	(34,974)
Net cash inflow/outflow from operating activities	<u>38,314</u>	<u>23,186</u>

18. Gross cash flows

	2001 £	2000 £
Returns on investments and servicing of finance		
Interest received	2,161	3,074
Interest element of finance lease rental payments	(485)	(203)
	<u>1,676</u>	<u>2,871</u>
Capital expenditure		
Payments to acquire fixed assets	(7,584)	(1,663)
Receipts from sales of fixed assets	3,250	800
	<u>(4,334)</u>	<u>(863)</u>
Financing		
Capital element of finance lease repayments	<u>(1,666)</u>	<u>-</u>

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Notes To The Accounts For The Year Ended 31 December 2001 (cont)

19. Analysis of net funds

	2000 £	Cash flow £	Other changes £	2001 £
Cash at bank and in hand	31,552	16,485	-	48,037
Finance leases	-	1,666	(11,995)	(10,329)
Total	<u>31,552</u>	<u>18,151</u>	<u>(11,995)</u>	<u>37,708</u>

20. Reconciliation of net cash flow to movement in net funds

	2001 £	2000 £
Increase in cash in the year	21,079	16,125
Cash outflow from decrease in lease financing	1,666	-
Change in net funds resulting from cash flows	18,151	9,081
New finance leases	(11,995)	-
Movement in net funds in the year	<u>6,156</u>	<u>9,675</u>
Net funds at 1 January 2001	31,552	21,877
Net funds at 31 December 2001	<u>37,708</u>	<u>31,552</u>

21. Non-cash transactions

During the year the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £11,995 (2000 - £-).

22. Parent Undertakings

The ultimate parent company is H Lelievre S.A., a company incorporated in France.