

PINE & CANE FURNISHINGS LTD

FINANCIAL STATEMENTS

30th September, 1997

Registered No : 01746743



Robinson, Gale & Co.

REGISTERED AUDITORS

1 LITCHDON STREET,
BARNSTAPLE,
DEVON EX32 8ND.

Pine & Cane Furnishings Ltd

Report of the Directors and

Financial Statements for the Year Ended 30 September 1997

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for the Year Ended 30 September 1997

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Pine & Cane Furnishings Ltd

Company Information

for the Year Ended 30 September 1997

DIRECTORS:

G W Mead Esq
L P Mead Mrs

SECRETARY:

Mrs L.P.Mead

REGISTERED OFFICE:

1 Litchdon Street
Barnstaple
NORTH DEVON
EX32 8ND

REGISTERED NUMBER:

1746743 (England and Wales)

AUDITORS:

Robinson Gale & Co
Chartered Certified Accountants
& Registered Auditors
1 Litchdon Street
Barnstaple
North Devon
EX32 8ND

BANKERS:

Midland Bank Plc
New Malden Branch
66 High Street
New Malden
Surrey
KT3 4HD

Pine & Cane Furnishings Ltd

Report of the Directors
for the Year Ended 30 September 1997

The directors present their report with the financial statements of the company for the year ended 30 September 1997.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of retailers of pine furniture

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS

No dividends will be distributed for the year ended 30 September 1997.

DIRECTORS

The directors during the year under review were:

G W Mead Esq

L P Mead Mrs

The beneficial interests of the directors holding office on 30 September 1997 in the issued share capital of the company were as follows:

| | 30.9.97 | 1.10.96 |
|--------------------|---------|---------|
| Ordinary £1 shares | | |
| G W Mead Esq | 1 | 1 |
| L P Mead Mrs | 1 | 1 |

STATEMENT OF 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 judgments 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.

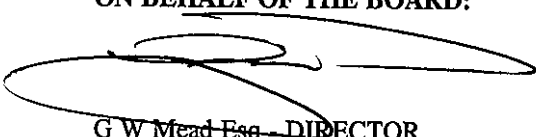
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

In accordance with an Elective Resolution passed the 8th November, 1995 the Auditors Messrs Robinson Gale & Co are to continue in office.

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

ON BEHALF OF THE BOARD:


G W Mead Esq - DIRECTOR

Dated: 7.10.97

Pine & Cane Furnishings Ltd

Report of the Auditors to the Shareholders of
Pine & Cane Furnishings Ltd

We have audited the financial statements on pages four to eight which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two 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, except that the scope of our work was limited as explained below.

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 judgments 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.

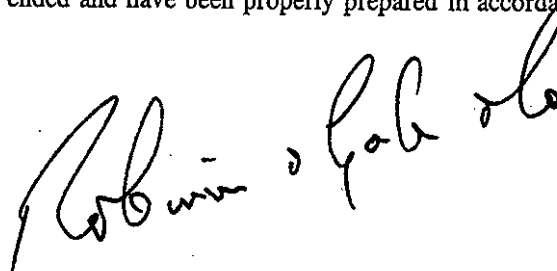
We planned our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. The financial statements have been prepared on a going concern basis which assumes the continued support of the company's bankers. At 30th September, 1997 the company's liabilities exceeded its reported assets by £46,194.

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 30 September 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Robinson Gale & Co
Chartered Certified Accountants
& Registered Auditors
1 Litchdon Street
Barnstaple
North Devon
EX32 8ND



Dated: 8.4.98

Pine & Cane Furnishings Ltd

Profit and Loss Account
for the Year Ended 30 September 1997

| | | 30.9.97 | 30.9.96 |
|--|-------|-----------|-----------|
| | Notes | £ | £ |
| TURNOVER | 2 | 815,385 | 752,151 |
| Cost of sales | | 444,857 | 424,808 |
| GROSS PROFIT | | 370,528 | 327,343 |
| Administrative expenses | | 337,244 | 289,871 |
| OPERATING PROFIT | 3 | 33,284 | 37,472 |
| Interest payable and similar charges | 4 | 6,046 | 6,475 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 27,238 | 30,997 |
| Tax on profit on ordinary activities | 5 | 6,144 | 7,418 |
| PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION | | 21,094 | 23,579 |
| Deficit brought forward | | (67,290) | (90,869) |
| DEFICIT CARRIED FORWARD | | £(46,196) | £(67,290) |

The notes form part of these financial statements

Pine & Cane Furnishings Ltd


Balance Sheet

30 September 1997

| | | 30.9.97 | | 30.9.96 | |
|--|-------|---------|-----------|---------|-----------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS: | | | | | |
| Tangible assets | 6 | | 23,025 | | 21,612 |
| CURRENT ASSETS: | | | | | |
| Stocks | 7 | 117,878 | | 111,990 | |
| Debtors | 8 | 9,426 | | 20,539 | |
| Cash in hand | | 400 | | 400 | |
| | | 127,704 | | 132,929 | |
| CREDITORS: Amounts falling due within one year | 9 | 190,338 | | 205,335 | |
| NET CURRENT LIABILITIES: | | | (62,634) | | (72,406) |
| TOTAL ASSETS LESS CURRENT LIABILITIES: | | | (39,609) | | (50,794) |
| CREDITORS: Amounts falling due after more than one year | 10 | | 6,585 | | 16,494 |
| | | | £(46,194) | | £(67,288) |
| CAPITAL AND RESERVES: | | | | | |
| Called up share capital | 12 | | 2 | | 2 |
| Profit and loss account | | | (46,196) | | (67,290) |
| Shareholders' funds | | | £(46,194) | | £(67,288) |

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 with the Financial Reporting Standard for Smaller Entities.

ON BEHALF OF THE BOARD:


G.W. Mead Esq. - DIRECTOR

Approved by the Board on ... 1 - 4 - 98

Notes to the Financial Statements
for the Year Ended 30 September 1997

1. **ACCOUNTING POLICIES**

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|-----------------------|---------------------------|
| Fixtures and fittings | - 15% on reducing balance |
| Motor vehicles | - 25% on reducing balance |

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

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.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. **OPERATING PROFIT**

The operating profit is stated after charging:

| | 30.9.97 | 30.9.96 |
|----------------------------------|-------------------|-------------------|
| | £ | £ |
| Depreciation - owned assets | 6,822 | 6,201 |
| Loss on disposal of fixed assets | 265 | - |
| Auditors' remuneration | 1,200 | 1,000 |
| Pension costs | 8,112 | 8,595 |
| | <u> </u> | <u> </u> |
| Directors' emoluments | 50,000 | 27,000 |
| | <u> </u> | <u> </u> |

Notes to the Financial Statements
for the Year Ended 30 September 1997

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

Interest payable and similar charges includes the following:

| | 30.9.97 | 30.9.96 |
|-------------------------|--------------|--------------|
| | £ | £ |
| Bank Interest | 3,161 | 3,195 |
| Bank loan interest | 1,992 | 2,898 |
| Interest on Overdue Tax | 893 | 382 |
| | <u>6,046</u> | <u>6,475</u> |

5. **TAXATION**

The tax charge on the profit on ordinary activities for the year was as follows:

| | 30.9.97 | 30.9.96 |
|--------------------|--------------|--------------|
| | £ | £ |
| UK Corporation Tax | <u>6,144</u> | <u>7,418</u> |

UK Corporation Tax has been charged at 21 % (1996 - 24 %).

6. **TANGIBLE FIXED ASSETS**

| | Fixtures and fittings | Motor vehicles | Totals |
|------------------------|-----------------------------|-------------------|---------------|
| | £ | £ | £ |
| COST: | | | |
| At 1 October 1996 | 11,385 | 71,681 | 83,066 |
| Additions | - | 13,000 | 13,000 |
| Disposals | - | (4,765) | (4,765) |
| At 30 September 1997 | <u>11,385</u> | <u>79,916</u> | <u>91,301</u> |
| DEPRECIATION: | | | |
| At 1 October 1996 | 4,985 | 56,469 | 61,454 |
| Charge for year | 960 | 5,862 | 6,822 |
| At 30 September 1997 | <u>5,945</u> | <u>62,331</u> | <u>68,276</u> |
| NET BOOK VALUE: | | | |
| At 30 September 1997 | <u>5,440</u> | <u>17,585</u> | <u>23,025</u> |
| At 30 September 1996 | <u>6,400</u> | <u>15,212</u> | <u>21,612</u> |

7. **STOCKS**

| | 30.9.97 | 30.9.96 |
|-------|----------------|----------------|
| | £ | £ |
| Stock | <u>117,878</u> | <u>111,990</u> |

Pine & Cane Furnishings Ltd

Notes to the Financial Statements
for the Year Ended 30 September 1997

8. **DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

| | 30.9.97 | 30.9.96 |
|-----------------------|--------------|---------------|
| | £ | £ |
| Debtors & Prepayments | 6,171 | 17,284 |
| Corporation Tax | 3,255 | 3,255 |
| | <u>9,426</u> | <u>20,539</u> |

9. **CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

| | 30.9.97 | 30.9.96 |
|-------------------------------|----------------|----------------|
| | £ | £ |
| Bank loans and overdrafts | 55,339 | 69,169 |
| Trade Creditors | 34,753 | 29,945 |
| Directors current accounts | 74,695 | 71,877 |
| Other creditors | - | 9,500 |
| Social security & other taxes | 14,912 | 13,246 |
| Taxation | 6,144 | 7,418 |
| Accrued expenses | 4,495 | 4,180 |
| | <u>190,338</u> | <u>205,335</u> |

10. **CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

| | 30.9.97 | 30.9.96 |
|------------|--------------|---------------|
| | £ | £ |
| Bank loans | 6,585 | 16,494 |
| | <u>6,585</u> | <u>16,494</u> |

11. **SECURED DEBTS**

The following secured debts are included within creditors:

| | 30.9.97 | 30.9.96 |
|------------|---------------|---------------|
| | £ | £ |
| Bank loans | 16,494 | 26,403 |
| | <u>16,494</u> | <u>26,403</u> |

12. **CALLED UP SHARE CAPITAL**

| | | | | |
|----------------------------------|----------|----------------|------------|------------|
| Authorised: | | | | |
| Number: | Class: | Nominal value: | 30.9.97 | 30.9.96 |
| 100 | Ordinary | £1 | £ 100 | £ 100 |
| | | | <u>100</u> | <u>100</u> |
| Allotted, issued and fully paid: | | | | |
| Number: | Class: | Nominal value: | 30.9.97 | 30.9.96 |
| 2 | Ordinary | £1 | £ 2 | £ 2 |
| | | | <u>2</u> | <u>2</u> |