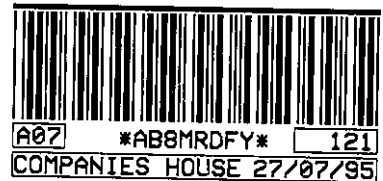


PINE & CANE FURNISHINGS LTD

FINANCIAL STATEMENTS

30th September, 1994

Registered No : 01746743



PINE & CANE FURNISHINGS LTD

FINANCIAL STATEMENTS

30th September 1994

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PINE & CANE FURNISHINGS LTD

DIRECTORS' REPORT

The Directors have pleasure in submitting their annual report and financial statements for the year ended 30th September, 1994

Activities

The principal activity of the company continues to be that of retailers of Pine Furniture

Results and Dividends

The results for the year are given in the profit and loss account on page 4

The Directors do not recommend payment of a dividend

Fixed assets

The information relating to fixed assets is given in note 8 to the financial statements.

Directors

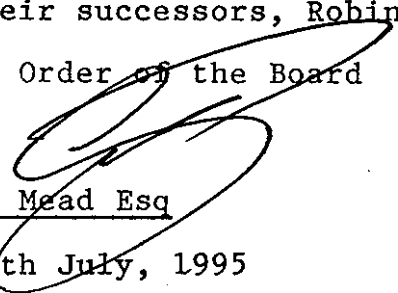
The Directors and their interests in the share capital of the company throughout the year were as follows :

		£1 Ordinary Shares	
		<u>1994</u>	<u>1993</u>
G. Mead	Esq	1	1
L. Mead	Mrs	1	1

Auditors

The Auditors Messrs R.T. Marke & Co resigned during the year and their successors, Robinson Gale & Co, were appointed

By Order of the Board


G. Mead Esq

13th July, 1995

PINE & CANE FURNISHINGS LTD

AUDITOR' REPORT TO THE MEMBERS

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 3.

Respective responsibilities of directors and auditors

The company's directors are responsible for the preparation of the 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 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 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. However, the evidence available to us was limited because we were appointed auditors in March 1995 and in consequence were unable to carry out auditing procedures necessary to obtain adequate assurance regarding the quantities and condition of stock appearing in the balance sheet at £101093. Any adjustment to this figure would have a consequential effect on the profit for the year.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

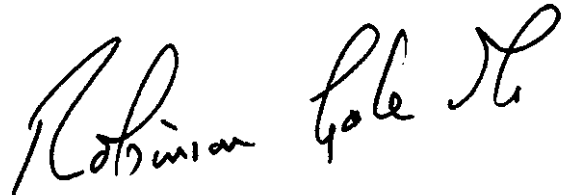
Opinion: disclaimer on view given by financial statements

Because of the possible effect of the limitation in evidence available to us, we are unable to form an opinion as to whether the financial statements give a true and fair view of the state of the company's affairs as at 30th September, 1994 or of its profit for the year then ended. In all other respects, in our opinion the financial statements have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation on our work relating to stock:

we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and we were unable to determine whether proper accounting records had been maintained.

Robinson Gale & Co
1 Litchdon Street
Barnstaple
Devon



Registered Auditors

.26-7-95 dated

PINE & CANE FURNISHINGS LTD

ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historical cost convention, and in accordance with s226 of, and schedule 4 to, the Companies Act 1985

Turnover

Turnover represents the amounts invoiced in respect of goods and services supplied to customers and is stated net of VAT

Fixed Assets and Depreciation

Depreciation is provided by the company to write off the cost of tangible fixed assets over their estimated useful economic lives as follows:

Fixtures and Fittings	15% reducing balance
Motor Vehicles	25% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value

Taxation

The charge for taxation is based on the results for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an asset or liability will crystallise in the foreseeable future

PINE & CANE FURNISHINGS LTD

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PROFIT AND LOSS ACCOUNT

for the year ended 30th September 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
Turnover	1	910467	838434
Cost of Sales		553691	545202
Gross Profit		<u>356776</u>	<u>293232</u>
Administrative Expenses		320434	288444
Trading Profit	2	<u>36342</u>	<u>4788</u>
Interest Payable	5	7865	15548
		<u>28477</u>	<u>(10760)</u>
Exceptional Item	13	(22500)	-
Profit/Loss on Ordinary Activities before taxation		<u>5977</u>	<u>(10760)</u>
Tax on Ordinary Activities	6	6953	8273
Retained Loss for the Period		<u>(976)</u>	<u>(19033)</u>

PINE & CANE FURNISHINGS LTD

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BALANCE SHEET

as at 30th September 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
<u>FIXED ASSETS</u>			
Tangible Assets	7	30741	14196
<u>CURRENT ASSETS</u>			
Stocks	8	101093	93872
Debtors	9	22271	18259
Cash at Bank and In Hand		<u>400</u>	<u>400</u>
		123764	112531
<u>CREDITORS</u>			
Due within one year	10	267079	238325
		143315	12579
		<u>112574</u>	<u>111598</u>
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	11	2	2
Profit and Loss Account	12	(112576)	(111600)
		<u>(112574)</u>	<u>(111598)</u>



14.7.91

PINE & CANE FURNISHINGS LTD

NOTES

(forming part of the financial statements)

1. ANALYSIS OF TURNOVER

All turnover is derived in the United Kingdom from the Company's principal activity

2. TRADING PROFIT 1994 1993

Trading Profit as stated after charging:

Auditors remuneration	800	1200
Depreciation	9666	4050
Profit on Sale of Fixed Assets	311	-
	<u> </u>	<u> </u>

3. STAFF COSTS

Wages and Salaries	131758	122385
Social Security Costs	13112	12049
	<u>144870</u>	<u>134434</u>

4. DIRECTORS' EMOLUMENTS

Included in the above are amounts paid to the directors as follows	32000	36000
--	-------	-------

5. INTEREST PAYABLE

Interest on bank loans, overdrafts and other loans repayable within five years	7865	15548
--	------	-------

6. TAX ON PROFIT/LOSS ON ORDINARY ACTIVITIES

Corporation Tax at 25%	6953	(3255)
	<u>-</u>	<u>111528</u>
	<u>6953</u>	<u>8273</u>

PINE & CANE FURNISHINGS LTD

NOTES (continued)

(forming part of the financial statements)

7. <u>TANGIBLE FIXED ASSETS</u>	<u>Fixtures & Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
<u>Cost</u>			
As at 1st October, 1993	6585	50931	57516
Additions	-	29950	29950
Disposals	-	9200	9200
As at 30th Sept, 1994	<u>6585</u>	<u>71681</u>	<u>78266</u>
<u>Depreciation</u>			
As at 1st October, 1993	2236	41084	43320
Charge for the year	652	9014	9666
Disposal	-	5461	5461
As at 30th Sept, 1994	<u>2888</u>	<u>44637</u>	<u>47525</u>
<u>Net Book Value</u>			
As at 30th Sept, 1994	<u>3697</u>	<u>27044</u>	<u>30741</u>
As at 30th Sept, 1993	<u>4349</u>	<u>9847</u>	<u>14196</u>
8. <u>STOCKS</u>		<u>1994</u>	<u>1993</u>
Goods for re-sale		101093	93872
9. <u>DEBTORS</u>		<u>1994</u>	<u>1993</u>
Corporation Tax		3255	863
Prepayments and Accrued Income		<u>19016</u>	<u>17396</u>
		22271	18259
10 <u>CREDITORS</u>		<u>1994</u>	<u>1993</u>
Amounts falling due within one year			
Bank Loans and Overdrafts		97966	86197
Trade Creditors		64774	62519
Other Taxes and Social Security		7418	4407
Other Creditors		11000	-
Accruals and Deferred Income		5600	7044
Directors Loan		73368	78158
Corporation Tax		<u>6953</u>	<u>-</u>
		267079	238325

PINE & CANE FURNISHINGS LTD

NOTES (continued)

(forming part of the financial statements)

- | | | | |
|-----|--------------------------------|-------------------|--------------------------|
| 11. | <u>CALLED UP SHARE CAPITAL</u> | <u>Authorised</u> | <u>Issued/Fully Paid</u> |
| | Ordinary Shares of £1 each | 100 | 2 (1993 2) |
12. RESERVES
- Profit and Loss Account:
- | | |
|------------------------------|------------|
| Loss as at 1st October, 1993 | 111600 |
| Loss for the year | <u>976</u> |
| Loss as at 30th Sept, 1994 | 112576 |
13. EXCEPTIONAL ITEM
- The exceptional loss of 22,500 (1993, nil) reflects the provision against a debtor due from Bartrum Developments Ltd.

PINE & CANE FURNISHINGS LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 1994

	<u>1994</u>	<u>1993</u>
<u>TURNOVER</u>	910467	838434
<u>COST OF SALES</u>		
Opening Stock	93872	126622
Purchases	<u>560912</u>	<u>512452</u>
Less Closing Stock	654784	639074
	<u>101093</u>	<u>93872</u>
	<u>553691</u>	<u>545202</u>
<u>GROSS PROFIT</u>	356776	293232
<u>EXPENSES</u>		
Salaries and Wages	112870	98434
Directors Remuneration	32000	36000
Carriage and Delivery	579	337
Rent and Rates	88351	68155
Motor Expenses	8677	6985
Travelling Expenses	245	720
Telephone	4920	3531
Printing and Stationery	1253	2982
Postage	230	246
Repairs and Renewals	378	1865
Advertising	30069	36048
General Expenses	1492	1148
Audit and Accountancy	3000	6000
Insurances	5211	4152
Heat and Light	4948	5054
Loan Interest	1531	9266
Bank Charges and Interest	10151	9110
Credit Card Charges	10317	8966
Legal and Professional Fees	1223	943
Depreciation and Profit on Sale	9355	4050
Interest on Overdue Tax	1499	-
	<u>328299</u>	<u>303992</u>
<u>NET PROFIT/(LOSS) for the year</u>	28477	(10760)