

KNIGHTS (UK) LIMITED

ACCOUNTS

30 June 2001

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REISMAN & CO  
CHARTERED ACCOUNTANTS

63 High Road  
Bushey Heath  
Herts  
WD23 1EE

Company Registration Number 1995446



KNIGHTS (UK) LIMITEDREPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report and the accounts of the Company for the year ended 30 June 2001.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was that of interior designs and furnishings.

REVIEW OF THE BUSINESS

The results of the Company for the year under review are shown on page 3. The state of the Company's affairs at 30 June 2001 was not satisfactory. The directors do not expect this to improve in the coming year.

DIRECTORS

The directors in office during the year and their interest in the issued ordinary share capital of the Company were as follows:-

	<u>30 June 2001</u>	<u>1 July 2000</u>
S Rose	99	99
D Rose	1	1

FIXED ASSETS

Details of changes to the fixed assets of the Company are shown at note 7 to the accounts.

DIVIDENDS

The directors did not recommend the payment of a dividend for the financial year currently under review (nil in 2000).

Signed on behalf of the Board

S Rose

Chairman

26 April 2001

KNIGHTS (UK) LIMITED  
(FORMERLY SHERIDAN ROSE COMPLETE INTERIORS LIMITED)

Profit and Loss Account  
Year Ended 30 June 2001

	<u>Notes</u>	<u>2001</u>	<u>2000</u>
		£	£
Turnover	2	691	2,274
Cost of Sales		(609)	(1,982)
Gross Profit		82	292
Administration & general expenses		(12,166)	(10,314)
Operating Loss	3	(12,084)	(10,022)
Interest received		9	11
Interest payable	5	(8)	(31)
Loss on ordinary activities before taxation		(12,083)	(10,042)
Tax on profit on ordinary activities	6	-	-
Loss on ordinary activities after taxation and loss for the year		(12,083)	(10,042)
ADVERSE BALANCE BROUGHT FORWARD		(43,949)	(33,907)
ADVERSE BALANCE CARRIED FORWARD		(56,032)	(43,949)

None of the Company's activities were acquired or discontinued during the financial year.

The Company made no recognised gains or losses in the year ended 30 June 2001 other than the loss for the year.

The notes on pages 5 to 7 form part of these accounts.

KNIGHTS (UK) LIMITED  
(FORMERLY SHERIDAN ROSE COMPLETE INTERIORS LIMITED)

Balance Sheet  
30 June 2001

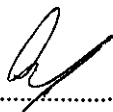
	<u>Notes</u>	<u>2001</u>	<u>2000</u>
		£	£
Fixed Assets			
Tangible assets	7	11,838	7,817
Current Assets			
Debtors	8	3,578	3,210
Cash at bank and in hand		-	17
		-----	-----
		3,578	3,227
Creditors	9		
Amounts due within one year		71,348	54,893
		-----	-----
Net Current Liabilities		(67,770)	(51,666)
		-----	-----
Total Net Liabilities		(55,932)	(43,849)
		=====	=====
Capital and Reserves			
Called up share capital	10	100	100
Profit and loss account		(56,032)	(43,949)
		-----	-----
Shareholders' Funds	11	(55,932)	(43,849)
		=====	=====

In approving these financial statements as directors of the Company, we hereby confirm:-

- a) that for the year in question, the Company was entitled to the exemption conferred by section 249A(1) of the Companies Act 1985;
- b) that no notice has been deposited at the registered office of the Company pursuant to section 249B(2) requesting that an audit be conducted for the year ended 30 June 2001; and
- c) that we acknowledge our responsibilities for:-
  - (i) ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 1985; and
  - (ii) preparing accounts 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 loss for the year then ended and which otherwise comply with the provisions of the Companies Act relating to accounts, so far as applicable to the Company.

The notes on pages 5 to 7 form part of these accounts.

S Rose



..... Director

Approved by the Board

On 26 April 2001

D Rose

..... Director

KNIGHTS (UK) LIMITED  
(FORMERLY SHERIDAN ROSE COMPLETE INTERIORS LIMITED)

Notes to the Accounts  
Year Ended 30 June 2001

1 ACCOUNTING POLICIES

- a. The accounts have been prepared under the historical cost convention.
- b. Turnover represents the net amount of invoices to customers less credit notes for goods returned, excluding VAT.
- c. Depreciation is provided over the expected useful lives of fixed assets, at the following rates:-  
 Fixtures and fittings - 15% on written down value
- d. 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.
- e. The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.
- f. Rentals under operating leases are charged against income as incurred.
- g. The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

2 TURNOVER

The turnover and loss before taxation is attributable to the principal activity of the Company, which is as stated in the Report of the Directors.

	<u>2001</u>	<u>2000</u>
3 OPERATING LOSS	£	£
The operating loss is stated after charging:-		
Staff costs (see note 4)	4,201	3,630
Depreciation	3,398	1,379
Operating leases	4,500	3,413
	<u>          </u>	<u>          </u>

4 STAFF COSTS

Directors' remuneration	4,200	3,630
Social security	1	-
	<u>          </u>	<u>          </u>
	4,201	3,630
	<u>          </u>	<u>          </u>

The average weekly number of employees during the year was as follows:-

Office and management	<u>1</u>	<u>1</u>
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KNIGHTS (UK) LIMITED  
(FORMERLY SHERIDAN ROSE COMPLETE INTERIORS LIMITED)

Notes to the Accounts  
Year Ended 30 June 2001

	<u>2001</u>	<u>2000</u>
	£	£
5 INTEREST PAYABLE		
Bank interest	8	31
	<u>8</u>	<u>31</u>

The above bank interest is on loans and overdrafts wholly repayable within five years.

6 TAXATION

Corporation tax at 20% (2000 - 21%/20%)	-	-
	<u>-</u>	<u>-</u>

7 FIXED ASSETS

	<u>Fixtures &amp; Fittings</u>
<u>Cost</u>	
At 1 July 2000	28,168
Additions	7,419
	<u>35,587</u>
At 30 June 2001	<u>35,587</u>
<u>Depreciation</u>	
At 1 July 2000	20,351
Charge for year	3,398
	<u>23,749</u>
At 30 June 2001	<u>23,749</u>
<u>Net Book Value</u>	
At 30 June 2001	<u>11,838</u>
At 1 July 2000	<u>7,817</u>

	<u>2001</u>	<u>2000</u>
	£	£
8 DEBTORS		
Trade debtors	-	182
Other debtors	1,995	1,917
Prepayments and accrued income	1,583	1,111
	<u>3,578</u>	<u>3,210</u>

KNIGHTS (UK) LIMITED  
(FORMERLY SHERIDAN ROSE COMPLETE INTERIORS LIMITED)

Notes to the Accounts  
Year Ended 30 June 2001

	<u>2001</u>	<u>2000</u>
	£	£
9 CREDITORS - amounts due within one year		
Trade creditors	733	1,376
Bank overdraft	1,664	1,769
Accrued expenses	1,200	1,200
Other creditors	20,260	11,437
Taxes other than corporation tax	3	4
Directors' current accounts	47,488	39,107
	-----	-----
	<u>71,348</u>	<u>54,893</u>
10 CALLED UP SHARE CAPITAL		
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
11 MOVEMENT OF SHAREHOLDERS' FUNDS		
Loss for the year	(12,083)	(10,042)
Opening shareholders' funds	(43,849)	(33,807)
	-----	-----
Closing shareholders' funds	<u>(55,932)</u>	<u>(43,849)</u>