

**ALTON-BROOKE LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30TH SEPTEMBER 1999**

**Company number: 2319857**

**Jacob Cavenagh & Skeet  
Chartered Accountants  
6/8 Tudor Court  
Brighton Road  
Sutton, Surrey, SM2 5AE**



**ALTON-BROOKE LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
30TH SEPTEMBER 1999**

<b>Contents</b>	<b>Page</b>
Directors' Report	1
Statement of Directors' Responsibilities	2
Report of the Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Accounts	6-9

**ALTON-BROOKE LIMITED****DIRECTORS' REPORT**

The directors submit their report and the audited financial statements for the year ended 30th September 1999.

**Principal activities**

The principal activity of the company during the year was the importation, wholesale and retailing of furnishings.

**Review of business**

The company made a loss for the year but is expecting to generate a profit in the following year.

**Results and dividends**

The profit for the year after taxation amounted to £20,798 (1998: £30,360).

**Directors and their interests**

The directors and their beneficial interest in the shares of the company at the beginning and end of the year were as follows:

	<b>Ordinary shares of £1 each</b>	
	<b>30th September 1999</b>	<b>1st October 1998</b>
P B Short	90	45
S Flizet (resigned 14th June 1999)	-	45
D Callaghan	5	5

**Small company**

The above report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD



F Cresto  
**Secretary**

4 Sleaford Street  
London  
SW8 5AB

25th July 2000

**ALTON-BROOKE LIMITED****STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and of the profit or loss for its financial year. In doing so the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts 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.

REPORT OF THE AUDITORS  
TO THE MEMBERS OF  
**ALTON-BROOKE LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 2, the 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 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.

**Going concern**

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the uncertainty as to the company's continued ability to trade. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th September 1999 for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



**Jacob Cavenagh & Skeet**  
Chartered Accountants  
and Registered Auditors

6/8 Tudor Court  
Brighton Road  
Sutton  
Surrey  
SM2 5AE

21<sup>st</sup> JULY 2000

**ALTON-BROOKE LIMITED****PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED 30TH SEPTEMBER 1999

	<i>Note</i>	<i>1999</i> <b>£</b>	<i>1998</i> <b>£</b>
<b>Turnover</b>	1	610,777	763,759
Cost of sales		<u>387,265</u>	<u>508,364</u>
<b>Gross profit</b>		223,512	255,395
Distribution costs		66,697	67,670
Administrative expenses		246,633	235,765
Other operating income		<u>79,373</u>	<u>21,183</u>
<b>Operating (loss)</b>		( 10,445)	( 26,857)
Loan forgiven		35,000	-
Interest receivable		223	143
Interest payable	2	<u>3,980</u>	<u>3,679</u>
<b>Profit/(loss) on ordinary activities before taxation</b>		20,798	( 30,393)
Tax on profit on ordinary activities		<u>-</u>	( <u>33</u> )
<b>Profit/(loss) for the financial year</b>		20,798	( 30,360)
Retained (deficit) brought forward		<u>(115,336)</u>	<u>( 84,976)</u>
<b>Retained (deficit) carried forward</b>		<u>( 94,538)</u>	<u>(115,336)</u>

The company has no recognised gains or losses other than those reported above. Turnover is wholly derived from continuing activities.


## ALTON-BROOKE LIMITED

BALANCE SHEET  
AS AT 30TH SEPTEMBER 1999

	<i>Note</i>	<i>1999</i>		<i>1998</i>	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5		25,819		29,022
<b>Current assets</b>					
Stocks	6	28,432		36,188	
Debtors	7	91,855		167,677	
Cash at bank and in hand		<u>22,450</u>		<u>5,503</u>	
		142,737		209,368	
<b>Creditors: Amounts falling due within one year</b>	8	<u>230,538</u>		<u>297,632</u>	
<b>Net current liabilities</b>			( 87,801)		( 88,264)
<b>Total assets less current liabilities</b>			( 61,982)		( 59,242)
<b>Creditors: Amounts falling due after more than one year</b>	9		( 18,461)		( 6,999)
<b>Total net liabilities</b>			( 80,443)		( 66,241)
<b>Capital and reserves</b>					
Called up share capital	10		95		95
Directors' loan account			14,000		49,000
Profit and loss account			( 94,538)		(115,336)
<b>Total shareholders' funds</b>			<u>( 80,443)</u>		<u>( 66,241)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors on 25th July 2000 and signed on its behalf by:



**P B Short**  
Director

**ALTON-BROOKE LIMITED****NOTES TO THE ACCOUNTS**

FOR THE YEAR ENDED 30TH SEPTEMBER 1999

**1 ACCOUNTING POLICIES****Accounting convention**

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

**Turnover**

Turnover represents the amounts receivable from customers for goods sold and services provided, excluding value added tax.

**Depreciation of tangible fixed assets**

Depreciation is provided on all tangible fixed assets so as to write them off over their anticipated useful lives at the following annual rates:

Fixtures and fittings	—	over the term of the lease
Furniture and equipment	—	25% reducing balance
Motor vehicles	—	25% reducing balance

**Stocks**

Stocks are stated at the lower of cost and net realisable value.

**Deferred taxation**

Provision is made for the deferred taxation liability arising from timing differences to the extent that it is probably that the tax will become payable in the foreseeable future.

**Going concern basis**

The Directors (who are the shareholders) acknowledge the Company's retained loss on its balance sheet at the year end and its dependence on the continued financial support of the Directors and creditors, but are confident of their ability to continue to improve the Company's profitability in the forthcoming year. Confirmation of the opinion of the Directors in this matter is held to be the continuation of trade with all creditors under normal credit terms throughout the period to date.

On this basis the Directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from the failure of this support.

**2 INTEREST PAYABLE**

<i>1999</i>	<i>1998</i>
<i>£</i>	<i>£</i>
On bank loans and overdrafts	2,013
On other loans	1,997
<u>3,980</u>	<u>4,010</u>

On bank loans and overdrafts  
On other loans

1,983

1,9973,980



## ALTON-BROOKE LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1999

(continued)

3

<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation of fixed assets	7,739	6,700
Auditors remuneration	<u>2,000</u>	<u>9,750</u>

4

<b>DIRECTORS</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Directors' emoluments were as follows:		
For qualifying service	<u>67,500</u>	<u>87,000</u>

5

<b>TANGIBLE FIXED ASSETS</b>				
	<i>Office equipment</i>	<i>Fixtures and fittings</i>	<i>Motor vehicles</i>	<i>Total</i>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1st October 1998	9,503	9,675	24,490	43,668
Additions	<u>1,909</u>	<u>1,588</u>	<u>-</u>	<u>3,497</u>
At 30th September 1999	<u>11,412</u>	<u>11,263</u>	<u>24,490</u>	<u>47,165</u>
<b>Depreciation</b>				
At 1st October 1998	6,151	968	7,527	14,646
Charge for the year	<u>1,315</u>	<u>1,144</u>	<u>4,241</u>	<u>6,700</u>
At 30th September 1999	<u>7,466</u>	<u>2,112</u>	<u>11,768</u>	<u>21,346</u>
<b>Net book value</b>				
At 30th September 1999	<u>3,946</u>	<u>9,151</u>	<u>12,722</u>	<u>25,819</u>
At 30th September 1998	<u>3,352</u>	<u>8,707</u>	<u>16,963</u>	<u>29,022</u>

The motor vehicles included in fixed assets are subject to hire purchase agreements.

6

<b>STOCKS</b>	<b>1999</b>	<b>1998</b>
	<b>£</b>	<b>£</b>
Work in progress	3,924	2,822
Finished goods and goods for resale	<u>24,508</u>	<u>33,366</u>
	<u>28,432</u>	<u>36,188</u>

## ALTON-BROOKE LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1999  
(continued)

<b>7</b>	<b>DEBTORS</b>	<b>1999</b>	<b>1998</b>
		<b>£</b>	<b>£</b>
	Trade debtors	52,638	133,531
	Other debtors	31,136	20,413
	Prepayments	<u>8,081</u>	<u>13,733</u>
		<u><b>91,855</b></u>	<u><b>167,677</b></u>
<b>8</b>	<b>CREDITORS: Amounts falling due within one year</b>	<b>1999</b>	<b>1998</b>
		<b>£</b>	<b>£</b>
	Bank loans	4,000	-
	Trade creditors	163,163	231,714
	Taxation and social security	2,742	29,087
	Other creditors	56,141	12,165
	Accruals and deferred income	<u>4,492</u>	<u>24,666</u>
		<u><b>230,538</b></u>	<u><b>297,632</b></u>
<b>9</b>	<b>CREDITORS: Amounts falling due after more than one year</b>	<b>1999</b>	<b>1998</b>
		<b>£</b>	<b>£</b>
	Other creditors	4,061	6,999
	Bank loans	<u>14,400</u>	<u>-</u>
		<u><b>18,461</b></u>	<u><b>6,999</b></u>
	Falling due after more than one year:		
	– repayable between one and two years	7,249	4,935
	– repayable between two and five years	<u>11,212</u>	<u>2,064</u>
		<u><b>18,461</b></u>	<u><b>6,999</b></u>
<p>The bank loans are secured by personal guarantees and fixed charges on various assets of certain directors and by a floating charge over the assets of the company.</p>			
<b>10</b>	<b>CALLED UP SHARE CAPITAL</b>	<b>1999</b>	<b>1998</b>
		<b>£</b>	<b>£</b>
	<b>Authorised</b>		
	1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<b>Allotted and fully paid</b>		
	1,000 Ordinary shares of £1 each	<u>95</u>	<u>95</u>

**ALTON-BROOKE LIMITED****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 30TH SEPTEMBER 1999**

(continued)

**11 RECONCILIATION OF MOVEMENTS IN  
SHAREHOLDERS' FUNDS**

	<i>1999</i> £	<i>1998</i> £
Profit/(loss) for the financial year	20,798	( 30,360)
Opening shareholders' funds	(115,241)	( 84,881)
Closing shareholders' funds	<u>( 94,443)</u>	<u>(115,241)</u>

**12 TAXATION**

	<i>1999</i> £	<i>1998</i> £
Current year	-	-
Corporation tax over provided	<u>-</u>	( 33)
	<u>-</u>	<u>( 33)</u>

**13 RELATED PARTY TRANSACTIONS**

During the year the company traded with Brooke London Ltd a company in which P Short (a director) has a significant interest. Sales to Brooke London Ltd were £11,771 (net). Purchases relating to recharges were £15,382 (net).

At the balance sheet date £51,071 was owed by Alton Brooke Ltd to Brooke London Ltd.

**14 CHANGE OF FORMAT**

The layout of the profit and loss account has been changed from format 2 to format 1 as the directors feel this gives a clearer understanding of the company's activities.