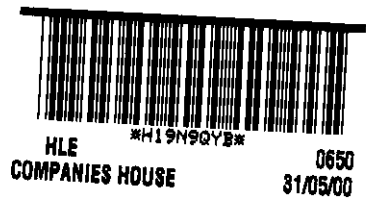


RAEBRO LIMITED  
HIGH STREET SOUTH  
LANGLEY MOOR  
COUNTY DURHAM  
DH7 8EV

DIRECTORS' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31ST JULY 1999



Company No: 2500167 (England & Wales)

**RAEBRO LIMITED**

**CONTENTS**

	Page
Contents	1.
Company Information	2.
Directors' Report	3.
Accountants' Report	4.
Profit and Loss Account	5.
Balance Sheet	6.
Notes to the Accounts	7 to 10.
The following page does not form part of the statutory accounts:	
Trading Account	11.

**RAEBRO LIMITED**

**COMPANY INFORMATION**

**DIRECTORS**

A Rae  
G Rae

**SECRETARY**

G Rae

**COMPANY NUMBER**

2500167 (England & Wales)

**REGISTERED OFFICE**

High Street South  
Langley Moor  
County Durham  
DH7 8EV

**ACCOUNTANTS**

Arnold J R Slaney & Co  
Chartered Accountants  
Portland House  
3 Queen Street  
Worksop  
Notts  
S80 2AW

**RAEBRO LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31ST JULY 1999**

The Directors present their report and the accounts for the year ended 31st July 1999.

**PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The Company's principal activity continues to be the sale of fitted Kitchens.

**DIRECTORS**

The Directors at 31st July, 1999 and their interests in the share capital of the company were as follows:-


	<u>Ordinary Shares</u>	
	<u>At 31.7.99</u>	<u>At 1.8.98</u>
A Rae	50	50
G Rae	50	50

The Directors of the Company are not required to retire by rotation.

**SMALL COMPANY RULES**

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March, 1999).

This report was approved by the board on 27/5/2000 and signed on its behalf:-

.......... G. Rae - Director

RAEBRO LIMITED

ACCOUNTANT'S REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF  
RAEBRO LIMITED

As described on the Balance Sheet you are responsible for the preparation of the accounts for the year ended 31st July, 1999 set out on pages 5 to 10, and you consider that the company is exempt from an audit and a report under section 249A(2) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanation supplied to us and we report that they are in accordance therewith.

Arnold J R Slaney & Co  
Portland House  
3 Queen Street  
Worksop  
Notts

Dated: 30th May 2000

  
Chartered Accountants

**RAEBRO LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31ST JULY 1999**

	<u>Note</u>	<u>1999</u>	<u>1998</u>
		£	£
<b>TURNOVER</b>	(1)	145,317	262,707
<b>COST OF SALES</b>		133,153	210,272
		-----	-----
<b>GROSS PROFIT</b>		12,164	52,435
Distribution Costs and Administrative Expenses		(66,087)	(47,003)
		-----	-----
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	(2)	(53,923)	5,432
<b>Taxation on result on ordinary activities</b>	(3)	(6,474)	(184)
		-----	-----
<b>RETAINED (LOSS)/PROFIT FOR THE YEAR</b>		(47,449)	5,616
 <b>RETAINED PROFIT BROUGHT FORWARD</b>		 96,763	 91,147
		-----	-----
<b>RETAINED PROFIT CARRIED FORWARD</b>		49,314	96,763
		=====	=====


The notes on pages 7 to 10 form an integral part of these accounts.

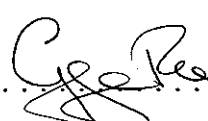
**RAEBRO LIMITED**  
**BALANCE SHEET AS AT 31ST JULY 1999**

	<u>Note</u>	<u>1999</u>	<u>1998</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible Assets	(4)	34,871	92,263
<b>CURRENT ASSETS</b>			
Stocks & Work-in-Progress		200	3,664
Debtors	(5)	32,458	47,337
Cash at bank and in hand		11,982	6
		-----	-----
		44,640	51,007
		-----	-----
<b>CREDITORS: amounts falling due within one year</b>	(6)	(23,370)	(33,206)
		-----	-----
<b>NET CURRENT ASSETS</b>		21,270	17,801
		-----	-----
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		56,141	110,064
<b>PROVISION FOR LIABILITIES &amp; CHARGES</b>			
Deferred Taxation	(7)	(6,727)	(13,201)
		-----	-----
<b>NET ASSETS</b>		49,414	96,863
		-----	-----
<b>CAPITAL AND RESERVES</b>			
Called up share capital	(8)	100	100
Profit and loss account		49,314	96,763
		-----	-----
<b>SHAREHOLDERS' FUNDS</b>		49,414	96,863
		-----	-----

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the company's share capital have not issued a notice requiring an audit under section 249(B)(2) of the Companies Act 1985. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31st July, 1999 and of its loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The accounts which have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March, 1999) were approved by the board on 27/5/2000 and signed on its behalf:-

.....  ..... A Rae  
Director

.....  ..... G. Rae  
Director

The notes on pages 7 to 10 form an integral part of these accounts.

## RAEBRO LIMITED

### NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JULY 1999

#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of accounts

The accounts are prepared under the historical cost convention.

##### 1.2 Turnover

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

##### 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets less their estimated residual value over their expected useful lives on the following bases:-

Plant and machinery	10%	reducing balance basis
Office Equipment	25%	reducing balance basis
Kitchen displays	20%	reducing balance basis
Motor Vehicles	25%	reducing balance basis

##### 1.4 Operating leases

Rentals applicable to operating leases were substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

##### 1.5 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes material, direct labour and production overheads. Net realisable value is the value which would be realised from the disposal of the stocks in the ordinary course of business.

##### 1.6 Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes using the liability method only to the extent that in the opinion of the directors there is a reasonable probability that a liability or asset will crystallise in the near future.



# **RAEBRO LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JULY 1999**

### **2. OPERATING PROFIT**

is stated after charging:-

	<u>1999</u>	<u>1998</u>
	£	£
Depreciation of tangible fixed assets owned by the company	4,696	11,340
Loss on sale of fixed assets	10,998	-
Directors emoluments	6,400	-
	-----	-----

### **3. TAXATION**

U.K. corporation tax at 21% (1998: 21%)	-	-
Transfer (from) deferred taxation	(6,474)	(184)
	-----	-----
	(6,474)	(184)
	-----	-----

### **4. TANGIBLE FIXED ASSETS**

	Kitchen Displays	Plant & Mach.	Motor Veh.	Office & Equipment	Total
	£	£	£	£	£
<b>COST</b>					
At 1.8.1998	16,500	138,689	1,500	8,072	164,761
Additions	-	150	-	1,500	1,650
Disposals	-	(94,050)	(1,500)	-	(95,550)
	-----	-----	-----	-----	-----
At 31.7.1999	16,500	44,789	-	9,572	70,861
<b>DEPRECIATION</b>					
At 1.8.1998	3,960	62,216	656	5,666	72,498
Charge for the year	1,408	2,310	-	978	4,696
On disposals	-	(40,548)	(656)	-	(41,204)
	-----	-----	-----	-----	-----
At 31.7.1999	5,368	23,978	-	6,644	35,990
<b>NET BOOK VALUE</b>					
At 31.7.1999	11,132	20,811	-	2,928	34,871
	-----	-----	-----	-----	-----
At 31.7.1998	12,540	76,473	844	2,406	92,263
	-----	-----	-----	-----	-----

# RAEBRO LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JULY 1999

	<u>1999</u> £	<u>1998</u> £
5. <b>DEBTORS (all due within one year)</b>		
Trade debtors	22,909	37,203
Other debtors	8,842	9,640
Prepayments	707	494
	-----	-----
	32,458	47,337
	-----	-----

Other debtors includes a loan of £8,383 (1998: £9,640) to G. and A. Rae, directors. The maximum amount outstanding during the year was £9,640 (1998:£9,640).

### 6. **CREDITORS:** amounts falling due within one year

Bank overdraft	-	2,196
Trade creditors	16,988	19,797
Retail deposits	-	1,100
Other taxes and social security	720	6,641
Accruals	5,662	3,472
	-----	-----
	23,370	33,206
	-----	-----

### 7. **DEFERRED TAXATION**

Balance at 1st August, 1998	13,201	13,385
(Credit) for the year	(6,474)	(184)
	-----	-----
Balance at 31st July, 1999	6,727	13,201
	-----	-----

The provision for deferred taxation is made up of accelerated capital allowances.

### 8. **SHARE CAPITAL**

Ordinary shares of £1 each:

Authorised	100,000	100,000
	-----	-----
Allotted called up and fully paid	100	100
	-----	-----

**RAEBRO LIMITED**

**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST JULY 1999**

**9. TRANSACTIONS INVOLVING DIRECTORS**

During the year the company has paid rent of £18,666 under a monthly licence to G. and A. Rae, directors, the owners of the property from which the company operates.

**10. RELATED PARTIES**

Additional related party information is given in notes 5 and 9.

**11. CONTROLLING PARTY**

As shown in the Directors' Report the company is controlled by A. and G. Rae who own 100% of the issued share capital.