

2786399

KITCHEN WORLD LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1997

183 FRONT STREET
CHESTER LE STREET
CO DURHAM DH3 3AX

ALAN HYND & COMPANY
CERTIFIED ACCOUNTANTS



KITCHEN WORLD LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1997

	PAGE NO.
Directors and officers	1
Report of the directors	2
Accountants report to the shareholders	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6-9

KITCHEN WORLD LIMITED

DIRECTORS AND OFFICERS

FOR THE YEAR ENDED 31ST MARCH 1997

DIRECTORS	P Robinson
SECRETARY	J Robinson
REGISTERED OFFICE	Unit E4 Abbey Road Industrial Estate Pity Me Co Durham DH1 5HA
REPORTING ACCOUNTANTS	Alan Hynd & Company 183 Front Street Chester le Street Co. Durham DH3 3AX
BANKERS	Barclays Bank PLC 53 Fawcett Street Sunderland SR1 1SD
COMPANY NUMBER	2786399

KITCHEN WORLD LIMITEDREPORT OF THE DIRECTORS

The directors present their annual report and accounts for the year ended 31 March 1997

PRINCIPAL ACTIVITY

The company's principal activity during the year was that of kitchen and bedroom manufacturers.

DIRECTORS AND THEIR INTERESTS

The directors in office at the date of this report are listed below.

The interests of the directors in the share capital of the company was as follows:-

	Interest in £1 ordinary shares	
	At 31/03/97	At 01/04/96
Mr P Robinson	1	1

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 to operate.

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 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.

The directors have taken advantage, in the preparation of their report, of the special exemptions applicable to small companies.

Approved by the board of directors on 29th April 1997
and signed on their behalf by:

J Robinson
Secretary

J Robinson

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED
ACCOUNTS OF KITCHEN WORLD LIMITED

We report on the accounts for the year ended 31 March 1997 set out on pages 5 to 9.

Respective responsibilities of directors and reporting accountants

As described on page 5 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

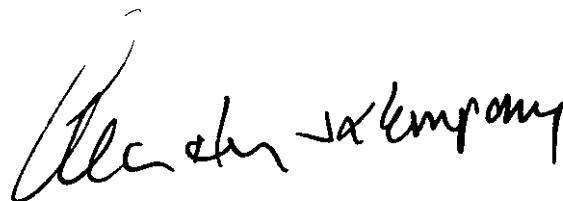
Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act, and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

183 FRONT STREET
CHESTER LE STREET
CO DURHAM DH3 3AX



ALAN HYND & COMPANY
REPORTING ACCOUNTANT

29th April 1997

KITCHEN WORLD LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST MARCH 1997

	Note	<u>1997</u> £	<u>1996</u> £
TURNOVER	2	284,100	227,764
Cost of Sales		(182,869)	(135,880)
GROSS PROFIT		101,231	91,884
Administrative Expenses		(75,689)	(67,753)
OPERATING PROFIT	3	25,542	24,131
Other Income	4	4,428	3,626
		29,970	27,757
Interest Payable & Similar Charges	5	(4)	(7)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		29,966	27,750
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	6	(7,636)	(7,410)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		22,330	20,340
Dividends	7	(20,000)	(20,000)
RETAINED PROFIT FOR THE YEAR		2,330	340
RETAINED PROFIT BROUGHT FORWARD		20,693	20,353
RETAINED PROFIT CARRIED FORWARD		<u>23,023</u>	<u>20,693</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 9 form part of these financial statements.

KITCHEN WORLD LIMITEDBALANCE SHEET AT 31 MARCH 1997

		<u>1997</u>		<u>1996</u>	
	Note	£	£	£	£
FIXED ASSETS					
Tangible Assets	8		24,500		19,741
CURRENT ASSETS					
Stocks	9	7,165		12,981	
Debtors	10	8,687		17,760	
Cash at Bank and in Hand		<u>46,908</u>		<u>45,888</u>	
		62,760		76,629	
CREDITORS					
Amounts falling due within one year	11	<u>64,235</u>		<u>75,675</u>	
NET CURRENT (LIABILITIES)/ASSETS			(1,475)		954
			<u>23,025</u>		<u>20,695</u>
CAPITAL & RESERVES					
Called up share capital	12		2		2
Profit and loss account	13		<u>23,023</u>		<u>20,693</u>
			<u>23,025</u>		<u>20,695</u>

The notes on pages 6 to 9 form part of these financial statements.

Director's Statement

(a) The company is entitled to take advantage of the exemption from audit given by Section 249A(2) of the Companies Act 1985 for the year ended 31 March 1997

(b) No notice has been deposited by holders of 10% or more of the company's issued share capital requiring the company to obtain an audit of its accounts for the financial year.

(c) The directors acknowledge their responsibilities for:

(i) ensuring 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 affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with section 226 of the Companies Act 1985.

The directors have taken advantage, in the preparation of the accounts, of special exemptions applicable to small companies under Schedule 8 part 1 of the Companies Act 1985. In the opinion of the directors the company qualifies as a small company and is entitled to make use of the special exemptions.

Approved by the board on 29th April 1997
and signed on their behalf.

P Robinson



KITCHEN WORLD LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST MARCH 1997**1 ACCOUNTING POLICIES**Basis of accounting

The accounts have been prepared under the historical cost convention.

Cash flow statement

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

Depreciation

Depreciation is provided on the cost of tangible fixed assets in order to write off such cost after taking account of scrap values over the expected useful lives as follows:-

Freehold Land & Buildings	5%	Straight line
Motor Vehicles	25%	Straight line
Fixtures & Fittings	20%	Straight line

Deferred Taxation

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences 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 foreseeable future.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value.

Pensions

The company has a defined contribution pension scheme. The cost of the contributions made by the company are charged to the profit and loss account as incurred.

2 TURNOVER

Turnover represents the net amounts, exclusive of Value Added Tax, invoiced during the period by the company.

3 OPERATING PROFIT/LOSS

This is stated after charging or (crediting) the following:

	<u>1997</u>	<u>1996</u>
	£	£
Depreciation	4,322	3,060
(Profit)/loss on disposal	-	572
Directors remuneration	13,200	13,200
Directors pension	<u>3,500</u>	<u>3,600</u>

KITCHEN WORLD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31ST MARCH 1997

4 OTHER INCOME

	<u>1997</u>	<u>1996</u>
	£	£
Rents Receivable	2,916	2,564
Bank Deposit Interest	1,301	878
Interest Received	-	1
Commission Received	211	183
	<u>4,428</u>	<u>3,626</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1997</u>	<u>1996</u>
	£	£
Bank Overdraft Interest	4	7
	<u>4</u>	<u>7</u>

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1997</u>	<u>1996</u>
	£	£
Corporation tax at 24% (1996 25%)	7,613	7,409
Prior Year adjustments	23	-
Corporation Tax Under/(Over) Provided	-	1
	<u>7,636</u>	<u>7,410</u>

7 DIVIDENDS

	<u>1997</u>	<u>1996</u>
	£	£
Dividends on Ordinary Shares	<u>20,000</u>	<u>20,000</u>

8 TANGIBLE FIXED ASSETS

	<u>Freehold Property</u>	<u>Leasehold Prop Impr</u>	<u>Motor Vehicles</u>	<u>Fixtures & Fittings</u>	<u>Total</u>
	£	£	£	£	£
<u>Cost or Valuation</u>					
At 1 April 1996	17,930	-	1,650	8,744	28,324
Additions	-	4,918	995	3,168	9,081
At 31 March 1997	<u>17,930</u>	<u>4,918</u>	<u>2,645</u>	<u>11,912</u>	<u>37,405</u>
<u>Depreciation</u>					
At 1 April 1996	2,690	-	1,238	4,655	8,583
Charge for the year	897	378	661	2,386	4,322
At 31 March 1997	<u>3,587</u>	<u>378</u>	<u>1,899</u>	<u>7,041</u>	<u>12,905</u>
<u>Net Book Amount</u>					
At 31 March 1997	<u>14,343</u>	<u>4,540</u>	<u>746</u>	<u>4,871</u>	<u>24,500</u>
At 31 March 1996	<u>15,240</u>	<u>-</u>	<u>412</u>	<u>4,089</u>	<u>19,741</u>

KITCHEN WORLD LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31ST MARCH 1997

9 STOCKS

	<u>1997</u>	<u>1996</u>
	£	£
Raw Materials and Consumables	4,271	5,534
Work in Progress	<u>2,894</u>	<u>7,447</u>
	<u>7,165</u>	<u>12,981</u>

10 DEBTORS

	<u>1997</u>	<u>1996</u>
	£	£
Trade debtors	6,349	15,738
Other debtors	<u>2,338</u>	<u>2,022</u>
	<u>8,687</u>	<u>17,760</u>

11 CREDITORS: Amounts falling due within one year

	<u>1997</u>	<u>1996</u>
	£	£
Trade creditors	7,830	17,134
Corporation tax	2,613	2,409
ACT payable	5,000	5,000
Other taxation and social security	6,490	8,884
Other creditors	23,202	22,408
Bank loans and overdrafts	<u>19,100</u>	<u>19,840</u>
	<u>64,235</u>	<u>75,675</u>

12 SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
	£	£
Authorised:		
Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 per share	<u>2</u>	<u>2</u>

KITCHEN WORLD LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31ST MARCH 1997**13 RESERVES**

	<u>1997</u>	<u>1996</u>
	£	£
Revenue Reserves brought forward	20,693	20,353
Profit for the financial year	<u>2,330</u>	<u>340</u>
	<u>23,023</u>	<u>20,693</u>

14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u>	<u>1996</u>
	£	£
Profit for the financial year	22,330	20,340
Dividends	<u>(20,000)</u>	<u>(20,000)</u>
	<u>2,330</u>	<u>340</u>
Net addition to shareholders funds	2,330	340
Opening shareholders' funds	<u>20,695</u>	<u>20,355</u>
Closing shareholders' funds	<u>23,025</u>	<u>20,695</u>