

ZIBOH INTERIORS LIMITED

ACCOUNTS

FOR THE YEAR ENDED

31ST AUGUST 1996

2866496

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ZIBOH INTERIORS LIMITED

COMPANY INFORMATION

DIRECTORS

M. A. Ahari
B. Fox
V.L.L. Fox

SECRETARY

V.L.L. Fox

COMPANY NUMBER

02844490

REGISTERED OFFICE

2 Watling Gate
297/303 Edgware Road
London
NW9 6NB

BANKERS

Barclays Bank Plc
P.O. Box 193
8/12 Church Street
Walton on Thames
Surrey
KT12 2YW

AUDITORS

The Jolly Singh Partnership
Registered Auditors & Accountants
2 Watling Gate
297/303 Edgware Road
London
NW9 6NB

ZIBOH INTERIORS LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and accounts of the company for the year to 31st August 1996.

RESULTS

	<u>1996</u> £	<u>1995</u> £
Net profit for the year	23,777	18,135
<u>Less: Taxation</u>	<u>7,055</u>	<u>5,994</u>
Surplus after Taxation, carried forward	<u>£16,722</u>	<u>£ 12,141</u>

PRINCIPAL ACTIVITY AND REVIEW

The company continues to trade as Interior Designers and Furnishers. In addition, the company has earned rent for furniture and equipment displayed at show houses. The results for the year are in accordance with the directors expectations. The directors do not recommend payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors who have served the company and their interests in the Ordinary Share Capital at 31st August 1996 were as follows:-

	<u>Ordinary Shares of £1 Each</u>
M.A. Ahari	45
V.L.L. Fox	45
B. Fox	10

DIRECTORS RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Company law requires the directors to prepare the 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 apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a 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 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.

ZIBOH INTERIORS LIMITED

DIRECTORS REPORT (CONTINUED)

AUDITORS

A resolution proposing the reappointment of The Jolly Singh Partnership as Auditors will be put to the Annual General Meeting in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



V.L.L. FOX -SECRETARY

Dated: 25/6/97-----

ZIBOH INTERIORS LIMITED

REPORT OF THE AUDITORS TO THE DIRECTORS

The full text of our report issued under the requirements of the Companies Act in respect of the year ended 31st August 1996 is reproduced below:

REPORT OF THE AUDITORS TO THE MEMBERS

We have audited the financial statements on pages 5 to 9 which have been prepared under the Historical Cost Convention.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Directors Report 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. An audit includes examination, on a test basis, of evidence relevant to the amounts of 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 assurances 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.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Company at 31st August 1996 and of its profit for the year then ended and comply with the Companies Act 1985.


THE JOLLY SINGH PARTNERSHIP
REGISTERED AUDITORS & ACCOUNTANTS
2 WATLING GATE
297/303 Edgware Road
London
NW9 6NB

Dated: 25/6/97

ZIBOH INTERIORS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED

31ST AUGUST 1996

	<u>1996</u>	<u>1995</u>
Turnover	543,690	314,468
<u>Less: Cost of Sales</u>	<u>422,384</u>	<u>244,759</u>
GROSS PROFIT	121,306	69,709
<u>Add: Equipment Rental Income</u>	<u>74,868</u>	<u>47,819</u>
Bank Interest	65	-
	<u>196,239</u>	<u>117,528</u>
<u>Less: Operating Expenses (Note 2)</u>	<u>172,462</u>	<u>99,393</u>
Net Profit before Tax	23,777	18,135
<u>Less: Taxation</u>	<u>7,055</u>	<u>5,994</u>
Net Profit after Tax	16,722	12,141
Surplus brought forward	13,342	1,201
Surplus carried forward	<u>£ 30,064</u>	<u>£ 13,342</u>

ZIBOH INTERIORS LIMITED

BALANCE SHEET - AS AT 31ST AUGUST 1996

1995

	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>TANGIBLE FIXED ASSETS (Note 4)</u>		29,184		15,210
Formation Fees		235		235
		<u>29,419</u>		<u>15,445</u>

CURRENT ASSETS

Stock	82,790	75,497
Trade Debtors	128,361	20,553
Other Debtors, & Prepayments	346	2,021
Bank and Cash Balances	2,967	5,644
	<u>214,464</u>	<u>103,715</u>

CREDITORS:

Amounts Payable within 12 Months

Trade Creditors	34,784	29,458
Tax and Social Security Costs	60,272	21,894
Current Year Corporation Tax	7,055	5,994
Accruals and Other Creditors	19,478	14,216
Bank Overdraft and Loans	77,571	27,648
Hire Purchase Creditor	1,421	-
	<u>200,581</u>	<u>99,210</u>

NET CURRENT ASSETS	13,883	4,505
	<u>43,302</u>	<u>19,950</u>

CREDITORS

Amounts payable beyond 12 months

Bank Loan	4,900	6,508
Hire Purchase Creditor	8,238 (13,138)	- (6,508)
	<u>£30,164</u>	<u>£13,442</u>

CALLED UP SHARE CAPITAL

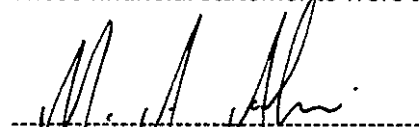
Ordinary Shares of £1 Each

Authorised, Issued and Fully Paid	100	100
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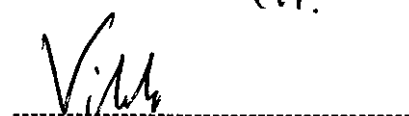
PROFIT AND LOSS ACCOUNT	30,064	13,342
	<u>£ 30,164</u>	<u>£ 13,442</u>

These financial statements were approved by the directors on

25/6/97.



DIRECTOR - M.A. Ahari



DIRECTOR - V.L.L. Fox

ZIBOH INTERIORS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED

31ST AUGUST 1996

	<u>1996</u>	<u>1995</u>	<u>1996</u>
	<u>£</u>	<u>£</u>	
Operating Profit	23,777	18,135	
Depreciation	10,166	7,242	
Movement in Stock	(7,293)	(59,997)	
Movement in Debtors	(106,133)	8,195	
Movement in Creditors	53,631	28,686	
	-----	-----	
Net Inflow(Outflow) from Operating Activities	(25,852)	2,261	
Net Outflow on Acquisition of Fixed Assets	(24,140)	(14,594)	
	-----	-----	
	(49,992)	(12,333)	
Corporation Tax Paid	(1,000)	(843)	
	-----	-----	
NET OUTFLOW	<u>£(50,992)</u>	<u>£ (13,176)</u>	

Represented by:

Movement in Bank and Cash Balances

Closing Balance	2,967	5,644
Opening Balance	5,644	-
	-----	-----
	(2,677)	5,644

Movement in Bank Overdraft and Loans

Closing Balance	(82,471)	(34,156)
Opening Balance	(34,156)	(15,336)
	-----	-----
	(48,315)	(18,820)
	-----	-----
	<u>£ (50,992)</u>	<u>£ (13,176)</u>

ZIBOH INTERIORS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED

31ST AUGUST 1996

1 ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared using the Historical Cost Convention.

b) Depreciation

Depreciation has been provided to write-off the cost of Tangible Fixed Assets over their estimated useful life. The rates adopted were as follows:

Pattern Books and Catalogues - 33% per annum on Written Down Value
Fixtures and Fittings - 20% per annum on Written Down Value
Motor Van - 25% per annum on Written Down Value

2. OPERATING EXPENSES

Operating Expenses include:

	<u>1996</u>	<u>1995</u>
Directors Remuneration	36,044	23,520
Audit Fee	1,000	600
Depreciation	<u>10,166</u>	<u>7,242</u>

3. TAXATION

	<u>1996</u>	<u>1995</u>
U.K. Corporation Tax based upon the results for the period	<u>£ 7,055</u>	<u>£ 5,994</u>

4. TANGIBLE FIXED ASSETS

	<u>Pattern Books & Catalogues</u>	<u>Fixtures & Fittings</u>	<u>Motor Van</u>	<u>Total</u>
Cost, 1st September 1995	14,450	7,373	4,000	25,823
Additions	8,264	4,151	11,725	24,140
Cost, 31st August 1996	<u>£ 22,714</u>	<u>£ 11,524</u>	<u>£ 15,725</u>	<u>£ 49,963</u>
Depreciation, 1st September 1995	7,691	1,922	1,000	10,613
Charge for the Year	7,496	1,920	750	10,166
Depreciation, 31st August 1996	<u>£ 15,187</u>	<u>£ 3,842</u>	<u>£ 1,750</u>	<u>£ 20,779</u>
Net Book Value, 31st August 1996	<u>£ 7,527</u>	<u>£ 7,682</u>	<u>£ 13,975</u>	<u>£ 29,184</u>
Net Book Value 31st August 1995	<u>£ 6,759</u>	<u>£ 5,451</u>	<u>£ 3,000</u>	<u>£ 15,210</u>