

3012417

CORKERY MACKAY LIMITED

FINANCIAL STATEMENTS

THE YEAR TO 31ST JANUARY 1998

ALAN GILLIES & CO.
1/2 ST ANN'S PASSAGE
BARNES
LONDON SW13 OAX



CORKERY MACKAY LIMITED
COMPANY NUMBER 3012417
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THE YEAR TO 31ST JANUARY 1998

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CORKERY MACKAY LIMITED
DIRECTORS' REPORT
THE YEAR TO 31ST JANUARY 1998

The directors present herewith their annual report, together with the audited financial statements of the company for the year ended 31st January 1998.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company Law requires the Directors to prepare financial statements for each financial period which give a true and fair view in 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 judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate that the company will continue in business.

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.

RESULTS AND DIVIDENDS

The loss for the period, after taxation and extraordinary items, was £29,439. The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The principal activity of the company is that of retailing household furniture and accessories by means of mail order and wholesaling similar products throughout Europe.

The results for the year are set out on page 4.

FIXED ASSETS

The company acquired equipment costing £4,024 and fixtures and fittings costing £409 during the year. Movements in fixed assets are set out on page 8.

RESEARCH AND DEVELOPMENT

There was no research and development carried on during the period.

FUTURE DEVELOPMENTS

There are no future developments planned for the Company.

EVENTS SINCE THE END OF THE PERIOD

There have been no significant events since the end of the period.

CORKERY MACKAY LIMITED
DIRECTORS' REPORT (continued)
THE YEAR TO 31ST JANUARY 1998

DIRECTORS AND THEIR INTERESTS

The directors of the company and their shareholdings during the year were as follows:

	<u>Number of shares</u>
A M Purves	1
Mrs P E Purves	1

POLITICAL AND CHARITABLE CONTRIBUTIONS

No charitable donations were made during the year.

AUDITORS

It is proposed that the company's present Auditors, Alan Gillies and Company, be reappointed as auditors to the company to hold office for the ensuing year.

This report has been prepared taking advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985.

By Order of the Board

PE Purves

P E PURVES
Secretary

25th March

..... 1998

CORKERY MACKAY LIMITED**REPORT OF THE AUDITORS****THE YEAR TO 31ST JANUARY 1998**

We have audited the financial statements on pages 4 to 9 which have been prepared under the Historical Cost Convention and the Accounting Policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the Company's 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 to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practises Board. An audit includes an 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.

Fundamental Uncertainty

In forming our opinion, we have considered the extent of the losses made by the company in its first three years of trading as shown in the Profit & Loss account. This matter has been discussed with the Directors who have prepared a profit & loss forecast for a year from the Balance Sheet date. This forecast, which in our opinion is reasonable, indicates the company moving into a break even position in the coming year. The directors have discussed this with their bankers who have agreed to provide adequate support for the foreseeable future, consequently they are confident that the Company is a going concern.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31st January 1998 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


ALAN GILLIES & CO.
Chartered Accountants
Registered Auditors

..... 26th March 1998

CORKERY MACKAY LIMITED
PROFIT AND LOSS ACCOUNT
THE YEAR TO 31ST JANUARY 1998

		1998		1997	
	<u>Notes</u>	£	£	£	£
TURNOVER	2		237,779		155,381
COST OF SALES			169,197		98,381
GROSS PROFIT			68,582		57,000
Distribution costs		22,514		14,449	
Administrative expenses		75,657	98,171	76,946	91,395
OPERATING PROFIT/(LOSS)	4		(29,589)		(34,395)
Other income or expenditure					
Interest receivable			150		23
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			(29,439)		(34,372)
TAX ON PROFIT ON ORDINARY ACTIVITIES	5		-		-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FINANCIAL YEAR			(29,439)		(34,372)
RETAINED PROFIT/(LOSS) BROUGHT FORWARD			(62,534)		(28,162)
PROPOSED DIVIDEND			-		-
RETAINED PROFIT/(LOSS) CARRIED FORWARD			£ (91,973)		£ (62,534)

The notes on pages 6 to 9 form an integral part of the financial statements.


Turnover and operating profit/loss derive wholly from continuing operations.

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

CORKERY MACKAY LIMITED
BALANCE SHEET
THE YEAR TO 31ST JANUARY 1998

	<u>Notes</u>	1998	1997
		£	£
FIXED ASSETS			
Tangible assets		4,703	1,973
CURRENT ASSETS			
Stock	6	33,932	8,678
Debtors	7	22,652	12,518
Cash at bank and in hand		(12,382)	(3,040)
		<u>44,202</u>	<u>18,156</u>
CURRENT LIABILITIES			
Creditors falling due within one year	8	55,878	22,663
NET CURRENT ASSETS/(LIABILITIES)		<u>(11,676)</u>	<u>(4,507)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ (6,973)</u>	<u>£ (2,534)</u>
FINANCED BY:			
CREDITORS falling due after more than one year	8	84,998	59,998
CAPITAL AND RESERVES			
Called up share capital	9	2	2
Profit and Loss account		(91,973)	(62,534)
		<u>£ (6,973)</u>	<u>£ (2,534)</u>

The directors have taken advantage, in the preparation of these financial statements, of the exemptions available under Part I of Schedule 8 to the Companies Act 1985, on the grounds that the company qualifies as a small company by virtue of section 247 of the Companies Act 1985.

...  ... Director
 ANDREW PURVES
 25th March 1998

The notes on pages 6 to 9 form an integral part of the financial statements.

CORKERY MACKAY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
THE YEAR TO 31ST JANUARY 1998

1. ACCOUNTING POLICIES

- (a) The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.
- (b) Turnover represents the invoiced amounts of goods sold and services provided, net of value added tax.
- (c) 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.
- (d) Depreciation is provided on all tangible assets at rates calculated to write off the cost or valuation, less estimated residual value of each asset over its expected useful life. The rates are as follows:-
 Fixtures and fittings - 20% p.a. straight line basis
 Equipment - 25% p.a. straight line basis
- (e) Stock is stated at the lower of cost and net realisable value.

2. TURNOVER

The turnover and pre-tax profit are wholly attributable to the company's main activity.

The turnover arose as follows:

	1998	1997
	£	£
United Kingdom	162,898	115,399
Export	74,881	39,982
	<u>£ 237,779</u>	<u>£155,381</u>

3. STAFF COST

Wages and salaries	46,163	21,529
Social security costs	3,956	1,853
Pension costs	-	-
	<u>£ 50,119</u>	<u>£ 23,382</u>

The average weekly number of employees during the period was made up as follows:

	No.	No.
Office and management	3	1

CORKERY MACKAY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
THE YEAR TO 31ST JANUARY 1998

4. OPERATING PROFIT

- (a) This is stated after charging:

	<u>1998</u>	<u>1997</u>
	£	£
Directors' remuneration	-	-
Auditors' remuneration	1,000	1,000
Depreciation	1,703	615
Bank interest	398	1

- (b) Directors' remuneration:

Fees and salaries	-	-
Pension contributions	-	-
	<u>£ -</u>	<u>£ -</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

- (a) Corporation Tax is not payable by the company due to the losses made during the first three years.
(b) The company is a close company within the terms of section 282 of the Taxes Act 1970.
(c) Tax charged in the accounts is as follows:

	£	£
Based on the results of the year	-	-
Taxation under/(over) provided in previous years.	-	-
	<u>£ -</u>	<u>£ -</u>

CORKERY MACKAY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
THE YEAR TO 31ST JANUARY 1998

6. TANGIBLE FIXED ASSETS

	<u>Equipment</u>	<u>Fixtures and Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£
Cost or valuation:				
At 1st July 1997	1,943	645	-	2,588
Additions	4,024	409	-	4,433
Disposals	-	-	-	-
At 31st July 1998	<u>5,967</u>	<u>1,054</u>	<u>-</u>	<u>7,021</u>
Depreciation:				
At 1st July 1997	486	129	-	615
Charge for period	1,492	211	-	1,703
Disposals	-	-	-	-
At 31st July 1998	<u>1,978</u>	<u>340</u>	<u>-</u>	<u>2,318</u>
Net book value at 31st July 1998	<u>£ 3,989</u>	<u>£ 714</u>	<u>£ -</u>	<u>£ 4,703</u>
Net book value at 30th June 1997	<u>£ 1,457</u>	<u>£ 516</u>	<u>£ -</u>	<u>£ 1,973</u>

7. STOCK

	<u>1998 £</u>	<u>1997 £</u>
Goods for resale	<u>£ 33,932</u>	<u>£ 8,678</u>

8. DEBTORS

	<u>£</u>	<u>£</u>
Trade debtors	22,652	12,518
Prepayments	-	-
Staff loan	-	-
	<u>£ 22,652</u>	<u>£ 12,518</u>

CORKERY MACKAY LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
THE YEAR TO 31ST JANUARY 1998

9. CREDITORS

	<u>Falling due</u>			
	1998		1997	
	<u>Within</u>	<u>After</u>	<u>Within</u>	<u>After</u>
	<u>1 Year</u>	<u>1 year</u>	<u>1 Year</u>	<u>1 year</u>
		£		£
Trade creditors	27,913	-	9,312	-
Corporation tax	-	-	-	-
Other taxes and social security costs	516	-	3,668	-
Accruals and sundry creditors	2,449	-	2,150	-
Associated company	25,000	-	7,533	-
Unsecured loans	-	84,998	-	59,998
	<u>£55,878</u>	<u>£84,998</u>	<u>£22,663</u>	<u>£59,998</u>

10. SHARE CAPITAL

	<u>Authorised</u>		<u>Allotted, called up and fully paid</u>	
	1998		1997	
	<u>No.</u>	<u>No.</u>	<u>£</u>	<u>£</u>
Ordinary shares of £1 each	100	100	2	2
	<u>100</u>	<u>100</u>	<u>2</u>	<u>2</u>

11. CONTINGENT LIABILITIES

There were no contingent liabilities.

12. CAPITAL COMMITMENTS

There were no capital commitments.

13. PENSION COMMITMENTS

There were no pension commitments.

14. TRANSACTIONS WITH DIRECTORS

There were no significant transactions involving Directors during the year.

CORKERY MACKAY LIMITED
ANALYSIS OF EXPENSES
THE YEAR TO 31ST JANUARY 1998

	1998		1997	
	£	£	£	£
COST OF SALES				
Opening stock		8,678		2,281
Purchases		194,451		104,778
Less closing stock		(33,932)		(8,678)
		<hr/>		<hr/>
		169,197		98,381
Commissions paid		-		-
		<hr/>		<hr/>
		169,197		98,381
		<hr/>		<hr/>
DISTRIBUTION COSTS				
Cost of deliveries		£ 22,514		£ 14,449
		<hr/>		<hr/>
ADMINISTRATIVE EXPENSES				
Establishment expenses				
Rent and rates	2,400		800	
Light and heat	-		-	
Repairs	329		401	
	<hr/>		<hr/>	
		2,729		1,201
General expenses				
Directors' salaries	-		-	
Staff salaries & nat.ins.	50,119		23,382	
Promotion and advertising	6,912		6,525	
Travelling and exhibition expenses	16,642		27,147	
Telephone	2,720		1,411	
Printing and stationery	28,432		22,832	
Insurance	940		-	
Miscellaneous	110		(17)	
Staff welfare	182		244	
Fee charged for brochure	(40,000)		(10,000)	
	<hr/>		<hr/>	
		66,057		71,524
Financial expenses				
Audit and accountancy fees	2,450		2,150	
Legal and professional fees	210		-	
Bank charges and interest	2,508		1,456	
Depreciation:-				
Fixtures and fittings	211		129	
Equipment	1,492		486	
	<hr/>		<hr/>	
		6,871		4,221
		<hr/>		<hr/>
		£ 75,657		£ 76,946
		<hr/>		<hr/>