

**ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2010
FOR
RAPPORT HOME FURNISHINGS LIMITED**

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FOR THE YEAR ENDED 31 OCTOBER 2010**

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RAPPORT HOME FURNISHINGS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2010

DIRECTORS

S J Crompton
P B Virani
R J Virani
R Virani
S S Virani

SECRETARY

R J Virani

REGISTERED OFFICE:

Bridge House
London Bridge
London
SE1 9QR

REGISTERED NUMBER.

05876585

AUDITORS

Wilkins Kennedy
Statutory Auditor
Chartered Accountants
Bridge House
London Bridge
London
SE1 9QR

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 OCTOBER 2010**

The directors present their report with the accounts of the company for the year ended 31 October 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the importers and distributors of household linen textiles

REVIEW OF BUSINESS

The directors' consider the results for the year satisfactory

DIVIDENDS

No interim dividend was paid during the year The directors recommend a final dividend of £4,000 per share

The total distribution of dividends for the year ended 31 October 2010 will be £400,000

DIRECTORS

The directors shown below have held office during the whole of the period from 1 November 2009 to the date of this report

S J Crompton
P B Virani
R J Virani
R Virani
S S Virani

FINANCIAL INSTRUMENTS

The company's financial instruments at the balance sheet date comprised cash and liquid resources The main purpose of these financial instruments is to support the company's operations The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken

The main risks arising from the company's financial instruments are interest rate, exchange rate and liquidity risk

Interest rate risk

The company has a policy to manage any exposure to interest rate fluctuations so as to finance its operations through retained profits

Exchange rate risk

The company has a policy to manage any exposure to exchange rate fluctuations

Liquidity risk

The company has confirmed overdraft facilities which will enable the company to meet its liabilities as they fall due

Financial assets

The company has no financial assets other than debtors, current asset investments and cash at bank

Borrowing facilities

The company has no undrawn committed borrowing facilities

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 OCTOBER 2010

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year the company made the following charitable donations -

| | 2010 £ | 2009 £ |
|---------------------------------------|-----------|-----------|
| Shree Raj Saubhag Satsang Mandal | 1,000 | - |
| Pakistan Flood Appeal | 317 | - |
| National Council of Vanik Association | 245 | 300 |
| KIN (Kibera in Need) | - | 2,800 |
| B Mehta - Retreat Charity | - | 1,820 |
| Veerayatan | - | 1,000 |
| Other - various | 40 | 351 |

There were no donations of a political nature

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

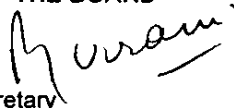
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD


R J Virani - Secretary

Date 8-3-11

**REPORT OF THE INDEPENDENT AUDITORS TO
RAPPORT HOME FURNISHINGS LIMITED
UNDER SECTION 449 OF THE COMPANIES ACT 2006**

We have examined the abbreviated accounts set out on pages five to fourteen, together with the full financial statements of Rapport Home Furnishings Limited for the year ended 31 October 2010 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.



Nicholas Parrett (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy
Statutory Auditor
Chartered Accountants
Bridge House
London Bridge
London
SE1 9QR

Date

8/3/2011

RAPPORT HOME FURNISHINGS LIMITED (REGISTERED NUMBER: 05876585)

**ABBREVIATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2010**

| | Notes | 2010 £ | 2009 £ |
|--|----------|-----------------------|-----------------------|
| TURNOVER | 2 | 12,443,748 | 15,108,518 |
| Cost of sales | | (10,395,181) | (12,641,173) |
| | | <u>2,048,567</u> | <u>2,467,345</u> |
| Administrative expenses | | <u>1,424,363</u> | <u>1,661,804</u> |
| OPERATING PROFIT | 4 | 624,204 | 805,541 |
| Interest receivable and similar income | | <u>416</u> | - |
| | | <u>624,620</u> | <u>805,541</u> |
| Interest payable and similar charges | 5 | <u>1,934</u> | <u>741</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 622,686 | 804,800 |
| Tax on profit on ordinary activities | 6 | <u>178,500</u> | <u>232,257</u> |
| PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION | | <u>444,186</u> | <u>572,543</u> |

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

The notes form part of these abbreviated accounts

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 OCTOBER 2010

| | 2010 £ | 2009 £ |
|---|-----------------|----------------|
| PROFIT FOR THE FINANCIAL YEAR | 444,186 | 572,543 |
| Change in market value of investments | <u>(17,034)</u> | <u>-</u> |
| TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR | <u>427,152</u> | <u>572,543</u> |

The notes form part of these abbreviated accounts

ABBREVIATED BALANCE SHEET
31 OCTOBER 2010

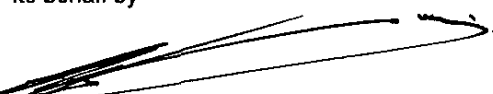
| | Notes | 2010 £ | 2009 £ |
|--|-------|--------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 8 | 1,276,139 | 190,177 |
| CURRENT ASSETS | | | |
| Stocks | 9 | 951,169 | 789,853 |
| Debtors | 10 | 2,023,788 | 2,919,288 |
| Investments | 11 | 75,707 | - |
| Cash at bank | | 429,526 | 504,735 |
| | | <u>3,480,190</u> | <u>4,213,876</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 12 | 4,485,433 | 4,150,595 |
| NET CURRENT (LIABILITIES)/ASSETS | | <u>(1,005,243)</u> | <u>63,281</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>270,896</u> | <u>253,458</u> |
| CREDITORS | | | |
| Amounts falling due after more than one year | 13 | 13,117 | 22,831 |
| NET ASSETS | | <u>257,779</u> | <u>230,627</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 17 | 100 | 100 |
| Profit and loss account | 18 | 257,679 | 230,527 |
| SHAREHOLDERS' FUNDS | 22 | <u>257,779</u> | <u>230,627</u> |

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

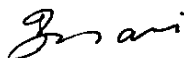
The financial statements were approved by the Board of Directors on its behalf by

8-3-11

and were signed on



S S Virani - Director



P B Virani - Director

The notes form part of these abbreviated accounts

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2010

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the parent company includes the subsidiary in its published financial statements

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

| | |
|---------------------|---------------------------|
| Freehold property | - 2% on cost |
| Plant and machinery | - 25% on reducing balance |

In respect of freehold land and buildings no depreciation is charged in the year of acquisition

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

Current asset investments

Listed current asset investments are stated at market value

2 TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company

An analysis of turnover by geographical market is given below

| | 2010 £ | 2009 £ |
|--------|-------------------|-------------------|
| UK | 12,199,828 | 14,935,214 |
| Europe | 243,920 | 173,304 |
| | <u>12,443,748</u> | <u>15,108,518</u> |

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2010

3 STAFF COSTS

| | 2010 £ | 2009 £ |
|---------------------|----------------|----------------|
| Wages and salaries | 702,504 | 831,857 |
| Other pension costs | 12,000 | 12,000 |
| | <u>714,504</u> | <u>843,857</u> |

The average monthly number of employees during the year was as follows

| | 2010 | 2009 |
|------------|-----------|-----------|
| Management | 5 | 5 |
| Other | 26 | 30 |
| | <u>31</u> | <u>35</u> |

4 OPERATING PROFIT

The operating profit is stated after charging

| | 2010 £ | 2009 £ |
|--|---------------|----------------|
| Hire of plant and machinery | 2,070 | - |
| Depreciation - owned assets | 50,707 | 52,642 |
| Depreciation - assets on hire purchase contracts | 7,219 | 9,625 |
| Loss on disposal of fixed assets | 7,206 | 13,540 |
| Auditors' remuneration | 8,000 | 8,000 |
| Directors' pension costs | 3,000 | 3,000 |
| | <u>89,002</u> | <u>112,408</u> |

The number of directors to whom retirement benefits were accruing was as follows

| | | |
|------------------------|----------|----------|
| Money purchase schemes | <u>1</u> | <u>1</u> |
|------------------------|----------|----------|

5 INTEREST PAYABLE AND SIMILAR CHARGES

| | 2010 £ | 2009 £ |
|---------------|--------------|------------|
| Hire purchase | <u>1,934</u> | <u>741</u> |

6 TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows

| | 2010 £ | 2009 £ |
|--------------------|----------------|----------------|
| Current tax | | |
| UK corporation tax | 178,500 | 232,257 |
| | <u>178,500</u> | <u>232,257</u> |

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2010

6 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

| | 2010 £ | 2009 £ |
|--|----------------|----------------|
| Profit on ordinary activities before tax | <u>622,686</u> | <u>804,800</u> |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%) | 174,352 | 225,344 |
| Effects of Depreciation in excess of capital allowances | 3,849 | 1,056 |
| Expenses not deductible | 299 | - |
| rate Underprovision of tax in prior year | - | 5,857 |
| Current tax charge | <u>178,500</u> | <u>232,257</u> |

7 DIVIDENDS

| | 2010 £ | 2009 £ |
|----------------------------|----------------|----------------|
| Ordinary shares of £1 each | | |
| Final | 400,000 | - |
| Interim | - | 520,000 |
| | <u>400,000</u> | <u>520,000</u> |

8 TANGIBLE FIXED ASSETS

| | Freehold property £ | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Totals £ |
|------------------------|---------------------------|-----------------------------|----------------------------------|------------------------|------------------|
| COST | | | | | |
| At 1 November 2009 | - | 15,359 | 151,026 | 173,442 | 339,827 |
| Additions | 1,102,358 | 4,000 | 1,276 | 77,203 | 1,184,837 |
| Disposals | - | - | - | (68,901) | (68,901) |
| At 31 October 2010 | <u>1,102,358</u> | <u>19,359</u> | <u>152,302</u> | <u>181,744</u> | <u>1,455,763</u> |
| DEPRECIATION | | | | | |
| At 1 November 2009 | - | 5,990 | 82,157 | 61,502 | 149,649 |
| Charge for year | - | 3,342 | 17,536 | 37,048 | 57,926 |
| Eliminated on disposal | - | - | - | (27,951) | (27,951) |
| At 31 October 2010 | <u>-</u> | <u>9,332</u> | <u>99,693</u> | <u>70,599</u> | <u>179,624</u> |
| NET BOOK VALUE | | | | | |
| At 31 October 2010 | <u>1,102,358</u> | <u>10,027</u> | <u>52,609</u> | <u>111,145</u> | <u>1,276,139</u> |
| At 31 October 2009 | <u>-</u> | <u>9,369</u> | <u>68,869</u> | <u>111,940</u> | <u>190,178</u> |

Included within fixed assets at the balance sheet date are assets held under hire purchase agreements with total cost of £38,500 (2009 £38,500) and net book value of £21,656 (2009 £28,875). During the year, depreciation of £7,219 (2009 £9,625) was charged on these assets.

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2010

8 TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

| | Motor vehicles £ |
|-----------------------|---------------------|
| COST | |
| At 1 November 2009 | |
| and 31 October 2010 | <u>38,500</u> |
| DEPRECIATION | |
| At 1 November 2009 | 9,625 |
| Charge for year | <u>7,219</u> |
| At 31 October 2010 | <u>16,844</u> |
| NET BOOK VALUE | |
| At 31 October 2010 | <u>21,656</u> |
| At 31 October 2009 | <u>28,875</u> |

9 STOCKS

| | 2010 £ | 2009 £ |
|----------------|----------------|----------------|
| Finished goods | <u>951,169</u> | <u>789,853</u> |

10 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2010 £ | 2009 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 2,023,688 | 2,622,242 |
| Amounts owed by group undertakings | - | 289,326 |
| Other debtors | 100 | 7,720 |
| | <u>2,023,788</u> | <u>2,919,288</u> |

11 CURRENT ASSET INVESTMENTS

Current asset investments comprise -

| | 2010 Market value £ | Cost £ |
|--------------------|---------------------------|-----------|
| Listed investments | | |
| Overseas | 75,707 | 92,742 |

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2010

12 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2010 | 2009 |
|---|------------------|------------------|
| | £ | £ |
| Bank loans and overdrafts (see note 14) | 693,070 | 509,842 |
| Hire purchase contracts (see note 15) | 9,714 | 9,022 |
| Trade creditors | 1,070,454 | 1,607,410 |
| Amounts owed to group undertakings | 932,078 | - |
| Tax | 59,008 | 226,400 |
| Social security and other taxes | 270,125 | 389,572 |
| Other creditors | 1,250,171 | 1,248,065 |
| Accruals and deferred income | 200,813 | 160,284 |
| | <u>4,485,433</u> | <u>4,150,595</u> |

13 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2010 | 2009 |
|---------------------------------------|---------------|---------------|
| | £ | £ |
| Hire purchase contracts (see note 15) | <u>13,117</u> | <u>22,831</u> |

14 LOANS

An analysis of the maturity of loans is given below

| | 2010 | 2009 |
|--|----------------|----------------|
| | £ | £ |
| Amounts falling due within one year or on demand | | |
| Bank overdrafts | <u>693,070</u> | <u>509,842</u> |

15 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

| | 2010 | 2009 |
|----------------------------|---------------|---------------|
| | £ | £ |
| Net obligations repayable | | |
| Within one year | 9,714 | 9,022 |
| Between one and five years | 13,117 | 22,831 |
| | <u>22,831</u> | <u>31,853</u> |

16 SECURED DEBTS

The following secured debts are included within creditors

| | 2010 | 2009 |
|-----------------|----------------|----------------|
| | £ | £ |
| Bank overdrafts | <u>693,070</u> | <u>509,842</u> |

The bank overdraft is secured by a debenture, dated 25 September 2006, including a fixed charge over all present freehold and leasehold property First fixed charge and first floating charge over all assets both present and future

There is also a cross guarantee in place with fellow subsidiary Virsons Limited

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2010

17 CALLED UP SHARE CAPITAL

| Allotted, Number | issued and fully paid Class | Nominal value | 2010 £ | 2009 £ |
|---------------------|--------------------------------|------------------|------------|------------|
| 100 | Ordinary | £1 | <u>100</u> | <u>100</u> |

18 RESERVES

| | Profit and loss account £ |
|----------------------------|------------------------------------|
| At 1 November 2009 | 230,527 |
| Profit for the year | 444,186 |
| Dividends | (400,000) |
| Revaluation of investments | (17,034) |
| At 31 October 2010 | <u>257,679</u> |

19 ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Rapport Holdings Limited, a company incorporated in the UK

The ultimate controlling company is under the control of the directors, by virtue of their beneficial interest in the issued share capital of that company

20 CONTINGENT LIABILITIES

The company has contingent liabilities in respect of a duty deferment guarantee of £250,000 (2009 £250,000) in favour of HM Revenue and Customs

21 RELATED PARTY DISCLOSURES**Rapport Holdings Limited**

At the year end the company owed £115,000 (2009 £115,000) to Rapport Holdings Limited, its parent company

Virsons Limited

During the year the company made purchases of £236,070 (2009 £985,325) and was charged rent of £90,000 (2009 £90,000) by Virsons Limited, a fellow subsidiary company of Rapport Holdings Limited

At the balance sheet date the company owed Virsons Limited £21,979 (2009 (owed from) £4,326) A trade balance was also due to Virsons Limited of £54,940 (2009 £86,787)

County Home Furnishings Limited

During the year the company made purchases of £82,874 (2009 123,080) and was charged rent of £35,000 (2009 £35,000) from County Home Furnishings Limited, a fellow subsidiary of Rapport Holdings Limited

At the balance sheet date the company was owed £307,258 (2009 £400,000) from County Home Furnishings Limited A trade balance was also due to County Home Furnishings of £403 (2009 £51,432)

On 31 October, a freehold property was acquired from County Home Furnishings Limited for £1,102,358, the netbook value at the time of transfer This balance was still outstanding at the year end

Loan accounts

At the balance sheet date the company owed £Nil (2009 £92,380) to its directors

NOTES TO THE ABBREVIATED ACCOUNTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2010

| 22 | RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS | 2010 | 2009 |
|----|---|-----------------------|-----------------------|
| | | £ | £ |
| | Profit for the financial year | 444,186 | 572,543 |
| | Dividends | (400,000) | (520,000) |
| | | <u>44,186</u> | <u>52,543</u> |
| | Other recognised gains and losses relating to the year (net) | <u>(17,034)</u> | - |
| | Net addition to shareholders' funds | <u>27,152</u> | <u>52,543</u> |
| | Opening shareholders' funds | <u>230,627</u> | <u>178,084</u> |
| | Closing shareholders' funds | <u><u>257,779</u></u> | <u><u>230,627</u></u> |