

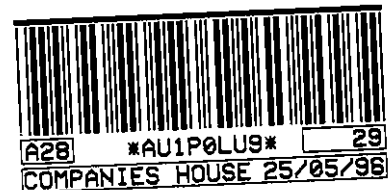
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**COPY FOR
REGISTRAR OF COMPANIES**

MARSHA INTERIORS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 1994



RICHARD ANTHONY & COMPANY
Chartered Accountants

MARSHA INTERIORS LIMITED

YEAR ENDED 31ST JULY 1994

Company Information

Directors : Mr C W Lewis
Mrs M K Lewis

Secretary : Mrs M K Lewis

Registration Number : 1190813

Registered Office : 13 Station Road
Finchley
London
N3 2SB

MARSHA INTERIORS LIMITED

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FOR THE YEAR ENDED 31ST JULY 1994

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of the statutory financial statements

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MARSHA INTERIORS LIMITEDREPORT OF THE DIRECTORS

The directors present their report with the financial statements of the company for the year ended 31st July 1994.

PRINCIPAL ACTIVITY The principal activity of the company in the year under review was that of Interior Designers.

REVIEW OF BUSINESS The directors consider the results achieved on the ordinary activities before taxation to be satisfactory.

RESULTS, DIVIDENDS AND TRANSFERS TO RESERVES The results for the year are set out on page 2. The directors do not recommend the payment of a dividend for the year. The profit for the financial year of £2,022 will be transferred to reserves.

FUTURE DEVELOPMENTS There are no significant developments taking place in respect of the company's affairs.

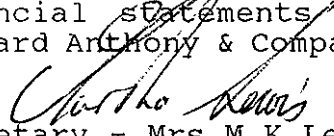
EVENTS SINCE THE END OF THE YEAR There were no material events affecting the company since the end of the year.

DIRECTORS The directors who held office during the year and their interests at the beginning and at the end of the year, in the issued ordinary share capital were as follows:

	Beneficial	Non Beneficial
Mr C W Lewis	30	30
Mrs M K Lewis	140	-

FIXED ASSETS There were no acquisitions or disposals of fixed assets during the year. The freehold investment property was revalued during the previous year and the revaluation surplus is disclosed in the notes to the financial statements.

AUDITORS In accordance with the Companies Act 1985, the company is exempt from the requirement to have its financial statements audited, but has appointed Richard Anthony & Company as Reporting Accountants.


Secretary - Mrs M K Lewis

Approved by the Board on this 20th day of May 1996

MARSHA INTERIORS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JULY 1994

	<u>NOTES</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>1993</u>	<u>£</u>
TURNOVER	1(b), 2		1,996			158
Cost of Sales			4,424			100
GROSS (LOSS)/PROFIT			(2,428)			58
Distribution Costs		7,625		9,072		
Administrative Expenses		48,653		7,540		
			(56,278)			(16,612)
OPERATING LOSS	3		(58,706)			(16,554)
Other Interest Receivable and Similar Income	5		65,258			35,789
Interest Payable and Similar Charges	6		(3,808)			(4,539)
PROFIT on ordinary activities before Taxation			2,744			14,696
TAXATION	7		(722)			(3,830)
PROFIT on ordinary activities after Taxation			2,022			10,866
RETAINED PROFIT at 1st August 1993			12,600			1,734
RETAINED PROFIT at 31st July 1994			14,622			12,600

Notes on pages 5 to 9 form an integral part of the financial statements.

MARSHA INTERIORS LIMITED
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31ST JULY 1994

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Profit for the Financial Year	2,022	10,866
Unrealised Surplus on Revaluation of Properties	-	240,000
Total Recognised Gains and Losses Relating to the Year and Since Last Annual Report	<u>2,022</u>	<u>250,866</u>

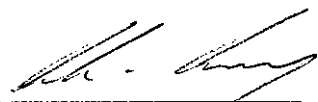
Notes on pages 5 to 9 form an integral part of the financial statements.

MARSHA INTERIORS LIMITED
BALANCE SHEET AS AT 31ST JULY 1994

	<u>NOTES</u>	<u>£</u>	<u>£</u>	<u>1993</u>	<u>£</u>
FIXED ASSETS					
Tangible Assets	1(c), 8		402,086		406,093
CURRENT ASSETS					
Stocks	1(d), 9	-		2,760	
Debtors	10	40,655		23,742	
Cash and Bank Balances		48,335		33,706	
		88,990		60,208	
CREDITORS: Amounts falling due within one year	11	72,131		49,378	
NET CURRENT ASSETS			16,859		10,830
TOTAL ASSETS LESS CURRENT LIABILITIES			418,945		416,923
CREDITORS: Amounts falling due after more than one year					
Mortgage Loan	12		(45,000)		(45,000)
			373,945		371,923
CAPITAL AND RESERVES					
Called up Share Capital	13		200		200
Profit and Loss Account	14		14,622		12,600
Revaluation Reserve	14		359,123		359,123
SHAREHOLDERS FUNDS	15		373,945		371,923

The company was entitled, for the year ended 31st July 1994 to the exemption under subsection (1) of Section 249A of the Companies Act 1985. No member or members of the company have requested an audit under Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for ensuring the company keeps accounting records which comply with Section 221, and for preparing financial statements that give a true and fair view of the state of 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 the requirements of Section 226, and which otherwise comply with this Act relating to financial statements.


C W Lewis - Director

Approved by the Board on the 20th day of May 1996

Notes on pages 5 to 9 form an integral part of the financial statements.

MARSHA INTERIORS LIMITEDNOTES TO THE FINANCIAL STATEMENTS - 31ST JULY 1994**1. ACCOUNTING POLICIES**(a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the appropriate accounting standards. They include the results of the company's operations which are described in the Directors Report, all of which are continuing.

(b) Turnover

Turnover represents net invoiced sales of goods and services rendered, excluding value added tax.

(c) Tangible Fixed Assets

Depreciation is provided, at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and fittings	- 10% on written down value
Motor vehicles	- 25% on written down value
Boat and Trailer	- 25% on written down value

(d) Freehold Investments Properties

The freehold investment properties are not depreciated in accordance with statement of Standard Accounting Practices 19, and are stated at open market value. However the Companies Act 1985 requires all fixed assets to be depreciated over their useful economic life to write off their costs.

In the opinion of the directors the departure from Companies Act 1985 results in the financial statements giving a true and fair view of the company's fixed assets and of its results for the year.

(e) Stocks

Stock is valued by the directors at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

(f) Deferred Taxation

Provision is made for taxation liabilities arising from the allocation of items to different periods for taxation and for accounting purposes, except where it is probable that a liability will not crystallise because of the availability of tax allowances for fixed asset expenditure in advance of depreciation.

(g) Cash Flow Statement

The company qualifies as a small company as defined in Section 247 of the Companies Act 1985 and is, therefore, exempt from preparing a Cash Flow Statement as specified by paragraph 8 of Financial Reporting Standard No. 1.

MARSHA INTERIORS LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31ST JULY 1994**
(Continued)**2. TURNOVER**

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

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
An analysis of turnover is given below:		
United Kingdom	1,996	158

3. OPERATING LOSS

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
The operating loss is stated after charging:		
Depreciation	4,007	5,343
Auditors' Remuneration	-	2,250
Directors Remuneration	2,900	-

4. DIRECTORS REMUNERATION

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Directors remuneration excluding employers National Insurance amounted to:		
Fees	2,900	-

5. OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Boat Hire Net of Expenses	(4,056)	(11,007)
Bank Interest Receivable	1,303	477
Building Society Interest	-	27
Rents Receivable	63,104	46,292
Commissions Received	4,907	-
	<u>65,258</u>	<u>35,789</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Bank Loans and Overdrafts		
- repayable on demand	-	4
- repayable within 5 years, not by instalments	3,773	4,535
Interest on Late Payment of Corporation Tax	35	-
	<u>3,808</u>	<u>4,539</u>

MARSHA INTERIORS LIMITEDNOTES TO THE FINANCIAL STATEMENTS - 31ST JULY 1994
(Continued)**7. TAXATION**

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

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
United kingdom Corporation Tax at 25% based on the adjusted results for the year	722	3,830

8. TANGIBLE FIXED ASSETS

	Freehold Investment Property	Boat and Trailer	Fixtures and Fittings	Motor Vehicles	Total
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cost or Valuation:					
At 1st August 1993	390,000	73,032	456	28,973	492,461
Revaluation Surplus	-	-	-	-	-
At 31st July 1994	390,000	73,032	456	28,973	492,461
Depreciation:					
At 1st August 1993	-	62,198	353	23,817	86,368
Charge for Year	-	2,708	10	1,289	4,007
At 31st July 1994	-	64,906	363	25,106	90,375
Net Book Value:					
At 31st July 1994	390,000	8,126	93	3,867	402,086
At 31st July 1993	390,000	10,834	103	5,156	406,093

The freehold investment property was valued at open market value basis, in January 1996, by the director of the company. The surplus on Revaluation was transferred to Revaluation Reserve as shown in note 14.

The historic cost of freehold investment properties is £30,877

9. STOCKS

	<u>1994</u>	<u>1993</u>
	<u>£</u>	<u>£</u>
Finished Goods	-	2,760

MARSHA INTERIORS LIMITEDNOTES TO THE FINANCIAL STATEMENTS - 31ST JULY 1994
(Continued)

10. DEBTORS	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Trade Debtors	3,713	1,008
Other Debtors	2,523	2,527
Amounts owed by Related Companies	33,549	19,091
Prepayments and Accrued Income	870	1,116
	40,655	23,742

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Bank Overdraft	-	1,257
Amounts owed to Related Companies	28,492	28,915
Taxation	3,049	4,292
Other Creditors	25,000	608
Directors Loan Accounts	6,320	11,056
Accruals and deferred income	9,270	3,250
	72,131	49,378

12. CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Bank Loan	45,000	45,000

The bank loan is repayable in full no later than November 1998 and is secured by a fixed charge on the freehold investment properties held by the Company and other related Companies under Common Control and by way of a personal guarantee of one of the directors of the Company.

The bank bears interest at 9.125% per annum.

13. CALLED UP SHARE CAPITAL	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Authorised: 1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, issued and fully paid: 200 Ordinary shares of £1 each	200	200

MARSHA INTERIORS LIMITEDNOTES TO THE FINANCIAL STATEMENTS - 31ST JULY 1994

(Continued)

14. RESERVES

	Revaluation Reserve	Profit and Loss Account
	<u>£</u>	<u>£</u>
At 1st August 1993	359,123	12,600
Profit for the Year	-	2,022
Surplus on Revaluation	-	-
At 31st July 1994	359,123	14,622

**15. RECONCILIATION OF MOVEMENTS
IN SHAREHOLDERS' FUNDS**

	<u>1994</u> <u>£</u>	<u>1993</u> <u>£</u>
Profit for the Financial Year	2,022	10,866
Other Recognised Gains and Losses	-	240,000
Opening Shareholders' Funds	2,022 371,923	250,866 121,057
Closing Shareholders' Funds	373,945	371,923

16. CONTINGENT LIABILITY

The company has together with two connected companies entered into a loan agreement, the details of which are given in Note 12. Each company is jointly and severally liable up to the total amount outstanding. At 31st July 1994 total loans outstanding amounted to £863,000.