

COPY FOR
REGISTRAR OF
COMPANIES

MARSHA INTERIORS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 1997

1190817

RICHARD ANTHONY & COMPANY
Chartered Accountants



MARSHA INTERIORS LIMITED

YEAR ENDED 31ST JULY 1997

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 1997

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The following pages do not form part
of the statutory financial statements

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MARSHA INTERIORS LIMITED**REPORT OF THE DIRECTORS**

The directors present their report with the financial statements of the company for the year ended 31st July 1997.

PRINCIPAL ACTIVITY

The principal activity of the company was that of Interior Designers. In the year under review the Directors acknowledge that a substantial proportion of the company's income was derived from rents.

REVIEW OF BUSINESS

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

RESULTS AND DIVIDENDS

The results for the year are set out on page 2. The directors do not recommend the payment of a dividend for the year.

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:

	<u>Beneficial</u>	<u>Non Beneficial</u>
Mr C W Lewis	30	30
Mrs M K Lewis	140	-

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

MARSHA INTERIORS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JULY 1997

	<u>NOTES</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>1996</u> <u>£</u>
TURNOVER	1(b),2		-		130
Distribution Costs		14,743		16,330	
Administrative Expenses		42,800		35,947	
			(57,543)		(52,277)
OPERATING LOSS	3		(57,543)		(52,147)
Interest Receivable and Similar Income	5		80,730		83,229
Interest Payable and Similar Charges	6		(4,781)		(4,630)
PROFIT on ordinary activities before Taxation			18,406		26,452
TAXATION	7		(3,999)		(6,164)
PROFIT on ordinary activities after Taxation			14,407		20,288
RETAINED PROFIT at 1st August 1996			38,031		17,743
RETAINED PROFIT at 31st July 1997			52,438		38,031

The company has no recognised gains and losses other than those included above, and therefore no separate statement of total recognised gains and losses has been presented.

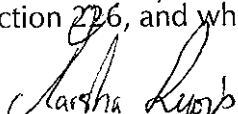
The notes on pages 4 to 8 form an integral part of these financial statements.

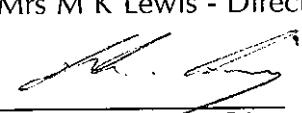
MARSHA INTERIORS LIMITED
BALANCE SHEET AS AT 31ST JULY 1997

	<u>NOTES</u>	<u>£</u>	<u>£</u>	<u>1996</u> <u>£</u>
FIXED ASSETS				
Tangible Assets	1(c),8		405,364	407,152
CURRENT ASSETS				
Debtors	10	80,934		84,012
Cash and Bank Balances		21,703		8,883
		<u>102,637</u>		<u>92,895</u>
CREDITORS: Amounts falling due within one year	11	51,240		57,693
		<u>51,397</u>		<u>35,202</u>
NET CURRENT ASSETS				
TOTAL ASSETS LESS CURRENT LIABILITIES			456,761	442,354
CREDITORS: Amounts falling due after more than one year				
Mortgage Loan	12		(45,000)	(45,000)
			<u>411,761</u>	<u>397,354</u>
CAPITAL AND RESERVES				
Called up Share Capital	13		200	200
Profit and Loss Account	14		52,438	38,031
Revaluation Reserve	14		359,123	359,123
SHAREHOLDERS FUNDS	15		<u>411,761</u>	<u>397,354</u>

The company was entitled, for the year ended 31st July 1997 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.


 Mrs M K Lewis - Director


 Mr C W Lewis - Director

Approved by the Board on the 10th day of June 1998

The notes on pages 4 to 8 form an integral part of these financial statements.

MARSHA INTERIORS LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31ST JULY 1997****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 No. 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) 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.

(f) 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 Financial Reporting Standard No. 1.

2. TURNOVER

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

An analysis of turnover is given below:

	<u>1997</u> £	<u>1996</u> £
United Kingdom	-	130

MARSHA INTERIORS LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31ST JULY 1997**

(Continued)

3. OPERATING LOSS

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
The operating loss is stated after charging:		
Depreciation	1,789	2,363
Directors Remuneration	3,100	2,900

4. DIRECTORS REMUNERATION

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Directors remuneration excluding employers National Insurance amounted to:		
Aggregate Emoluments	3,100	2,900

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Boat Hire	250	1,255
Bank Interest Receivable	427	2,392
Rents Receivable	73,199	74,034
Commissions Received	6,854	5,504
Interest Supplement on Overpaid Tax	-	44
	80,730	83,229

6. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Bank Loans and Overdrafts	4,574	4,620
Interest on Late Payment of Corporation Tax	207	10
	4,781	4,630

MARSHA INTERIORS LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31ST JULY 1997**

(Continued)

7. TAXATION

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

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
United Kingdom Corporation Tax at 23%	3,999	6,164

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 1996 and At 31st July 1997	399,379	73,032	1,886	28,973	503,270
Depreciation: At 1st August 1996	-	68,461	858	26,798	96,117
Charge for Year	-	1,142	103	544	1,789
At 31st July 1997	-	69,603	961	27,342	97,906
Net Book Value: At 31st July 1997	399,379	3,429	925	1,631	405,364
At 31st July 1996	399,379	4,571	1,028	2,175	407,153

The freehold investment property was valued at open market value basis, in January 1997, 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 £40,256.

MARSHA INTERIORS LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31ST JULY 1997**

(Continued)

9. CAPITAL COMMITMENTS

Capital expenditure commitments were as follows:	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Contracted but not provided for in the financial statements	Nil	Nil

10. DEBTORS

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Trade Debtors	4,287	4,405
Other Debtors	176	-
Amounts owed by Associated Undertakings	75,238	78,586
Directors Loan Account	1,233	1,021
	<u>80,934</u>	<u>84,012</u>

The following loan with the director was outstanding during the year:

<u>Name</u>	<u>Nature</u>	<u>1997</u>	<u>1996</u>	<u>Highest Balance</u> <u>During Year</u>
		<u>£</u>	<u>£</u>	<u>£</u>
Mr C W Lewis	Personal	1,233	1,021	9,120

The loan was advanced with no fixed date of repayment and is interest-free.

The loan is in contravention of Section 330 Companies Act 1985.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Amounts owed to Associated Undertakings	37,669	39,738
Corporation Tax	9,321	6,235
Directors Loan Accounts	-	3,120
Accruals and deferred income	4,250	8,600
	<u>51,240</u>	<u>57,693</u>

12. CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Bank Loan	45,000	45,000

The bank loan is repayable in full no later than 23 November 2001 and is secured by way of a fixed and floating charge on the freehold investment properties and all other assets 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.

MARSHA INTERIORS LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31ST JULY 1997**

(Continued)

13. CALLED UP EQUITY SHARE CAPITAL	<u>1997</u>	<u>1996</u>
	<u>£</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
14. RESERVES	Revaluation Reserve	Profit and Loss Account
	<u>£</u>	<u>£</u>
At 1st August 1996	359,123	38,031
Profit for the Year	-	14,407
At 31st July 1997	359,123	52,438
15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Profit for the Financial Year	14,407	20,288
Opening Shareholders' Funds	397,354	377,066
Closing Shareholders' Funds	411,761	397,354

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 1997 total loan outstanding amounted to £1,050,000.

17. POST BALANCE SHEET EVENTS

There were no significant post Balance Sheet events which materially affect the state of the company's affairs.

18. ULTIMATE CONTROLLING PARTY

The directors, Mr C W Lewis and Mrs M K Lewis are the ultimate controlling parties of the company.