

SYSTEM 6 KITCHENS LIMITED
ACCOUNTS FOR THE YEAR ENDED
31 JANUARY 2000

DIRECTOR: M. T. FOSTER

SECRETARY: C. L. FOSTER

REGISTERED
OFFICE: 4, Christow Road,
Marsh Barton,
EXETER,
EX2 8QP

BANKERS: HSBC Bank plc.,
9, St. Thomas Centre,
Cowick Street,
EXETER,
EX4 1DD

AUDITORS: M. J. EDWORTHY & CO.,
Chartered Certified Accountants,
23, Whipton Village Road,
EXETER,
EX4 8AN

COMPANY NUMBER: 1902921



DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 JANUARY 2000

DIRECTOR'S RESPONSIBILITIES

Company law requires me as director to prepare 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 I am 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 a going concern basis unless it is inappropriate to presume that the company will continue in business.

I am responsible for keeping proper accounting records which disclose with reasonable accuracy at any time, the financial position of the company and enable me to ensure that the financial statements comply with the Companies Act 1985. I am 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.

PRINCIPAL ACTIVITIES AND ANY SIGNIFICANT CHANGES

The principal activity of the company during the year continued to be that of fitted kitchen manufacture and installation.

DIRECTOR'S INTERESTS

The director of the company who served during the year and his interest in the ordinary shares of the company was as follows:-

Ordinary Shares of £1 each

31/1/00

31/1/99

M. T. FOSTER

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SYSTEM 6 KITCHENS LIMITED

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DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 JANUARY 2000

AUDITORS

The auditors, M. J. Edworthy & Co., have indicated their willingness to accept reappointment under Section 385 (2) of the Companies Act 1985.

The report of the director has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD


.....
Secretary

29.11.00..
.....
Date

We have audited the financial statements on pages 4 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on pages 6 and 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 the company's director is 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 Practices Board. An audit includes 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 director 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.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



M. J. EDWORTHY & CO.,
Registered Auditors.

29 November 2000

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2000

	Note	2000	1999
		£	£
TURNOVER	2	949,787	1,051,362
Cost of Sales		564,713	679,957
GROSS PROFIT		385,074	371,405
Net operating expenses		280,190	272,413
OPERATING PROFIT	3	104,884	98,992
Other Interest Receivable and Similar Income		2,042	2,824
Interest Payable and Similar Charges		101	1,880
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		106,825	99,936
Tax on Profit on Ordinary Activities	4	20,870	20,816
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		85,955	79,120
Dividend		4,800	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		81,155	79,120
Retained profits brought forward		323,398	244,278
RETAINED PROFITS CARRIED FORWARD		404,553	323,398

The annexed notes form part of these financial statements.

BALANCE SHEET

AS AT 31 JANUARY 2000

	Note	£ 2000	£	£ 1999	£
FIXED ASSETS					
Tangible Assets	5	233,838		247,854	
CURRENT ASSETS					
Stocks	6	66,719		50,327	
Debtors	7	62,543		118,375	
Cash at Bank and in Hand		155,463		73,680	
		<u>284,725</u>		<u>242,382</u>	
CREDITORS					
Amounts falling due within one year	8	101,145		153,150	
		<u>183,580</u>		<u>89,232</u>	
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES		417,418		337,086	
PROVISIONS FOR LIABILITIES AND CHARGES	9	12,863		13,686	
		<u>404,555</u>		<u>323,400</u>	
NET ASSETS		404,555		323,400	
CAPITAL AND RESERVES					
Called Up Share Capital	10	2		2	
Profit and Loss Account		404,553		323,398	
		<u>404,555</u>		<u>323,400</u>	
SHAREHOLDERS FUNDS		404,555		323,400	

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the Board on 29/1/00.

ON BEHALF OF THE BOARD



.....DIRECTOR

.....29/1/00.....Date

The annexed notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2000

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

a) Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

The effect of events relating to the year ended 31 January 2000 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 January 2000 and of the results for the year ended on that date.

b) Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates :-

Property Improvements	-	10% per annum of net book value
Plant & Machinery	-	25% per annum of net book value
Fixtures & Fittings	-	25% per annum of net book value
Motor Vehicles	-	25% per annum of net book value

c) Stocks and Work in Progress

Stocks and Work in progress have been valued at the lower of cost and net realisable value; in respect of work in progress, cost includes a relevant proportion of overheads according to the stage of completion.

d) Deferred Taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2000

1. ACCOUNTING POLICIES (CONTINUED)

e) Leasing

Tangible fixed assets acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

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

2. TURNOVER

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2000

3. OPERATING PROFIT

Operating profit is stated after charging:-

	2000	1999
	£	£
Director's remuneration	24,007	44,613
Auditors' remuneration	3,795	2,760
Depreciation of owned assets	67,560	78,750
Hire of plant and machinery	9,671	14,276
	=====	=====

and after crediting :-

Profit on sale of tangible fixed assets	3,118	-
	=====	=====

4. TAX ON PROFIT ON
ORDINARY ACTIVITIES

Current Year:

Corporation tax	21,643	22,534
Deferred taxation	(823)	(1,718)

Prior year:

Corporation tax underprovided	50	-
	-----	-----
	20,870	20,816
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2000

5. TANGIBLE FIXED ASSETS

	Land and Buildings	Plant and Machinery etc.	Total
	£	£	£
Cost :			
At 1 February 1999	20,506	586,175	606,681
Additions	25,244	34,436	59,680
Disposals	-	37,692	37,692
At 31 January 2000	45,750	582,919	628,669
Depreciation :			
At 1 February 1999	3,154	355,673	358,827
Charge for the year	4,260	63,300	67,560
Eliminated on disposals	-	31,556	31,556
At 31 January 2000	7,414	387,417	394,831
Net Book Value :			
At 31 January 2000	38,336	195,502	233,838
	=====	=====	=====
At 31 January 1999	17,352	230,502	247,854
	=====	=====	=====

The cost of depreciable assets included in land and buildings at 31 January 2000 was £45,750.

6. STOCKS AND WORK IN PROGRESS

	2000 £	1999 £
Stocks	66,719	50,327
	=====	=====

7. DEBTORS - ALL RECEIVABLE WITHIN ONE YEAR

	£	£
Trade Debtors	59,275	113,075
Other Debtors	3,268	5,300
	62,543	118,375
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2000

8. CREDITORS - AMOUNTS FALLING DUE
WITHIN ONE YEAR

	2000	1999
	£	£
Bank loans and overdrafts	-	6,589
Trade Creditors	47,405	84,715
Other Creditors	11,775	18,799
Corporation tax	21,643	22,534
Other tax and social security	20,322	20,513
	101,145	153,150
	=====	=====

Included in trade creditors are amounts totalling £39,958 (1999 £30,753) due in respect of goods for which title does not pass until payment is made.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2000

9. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Taxation
	£
Balance at 1 February 1999	13,686
Utilised during the year	(823)
Balance at 31 January 2000	12,863

The amount provided and the potential liability for deferred taxation is as follows :-

	2000		1999	
	Provided	Potential	Provided	Potential
	£	£	£	£
The accumulated excess of capital allowances over corresponding depreciation	12,863	12,863	13,686	13,686

10. SHARE CAPITAL

	Authorised	Allotted, called up and fully paid
	£	£
Ordinary Shares of £1 each	10,000	2

There have been no changes during the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2000

11. RELATED PARTY TRANSACTION

During the year the company wrote off a debt of £2,089 owed by Mr. I. Foster, the son of Mr. M. T. Foster, the company's director. The debt related to goods supplied to Mr. I. Foster on a commercial basis.

12. TRANSACTION WITH DIRECTOR

During the year the company's director, Mr. M. T. Foster bought a motor car from the company at its market value of £5000.