

SYSTEM 6 KITCHENS LIMITED
ACCOUNTS FOR THE YEAR ENDED
31 JANUARY 2001

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



SYSTEM 6 KITCHENS LIMITED
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 JANUARY 2001

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 we 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 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 manufacturer 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	
	31/01/01	31/01/00
M. T. FOSTER	2	2

SYSTEM 6 KITCHENS LIMITED
DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 JANUARY 2001

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 provision of Part V11 of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD


.....
Secretary

.....23/11/01.....
Date

AUDITORS' REPORT TO THE MEMBERS OF SYSTEM 6 KITCHENS LIMITED

We have audited the financial statements on Pages 4 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2001), 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 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.

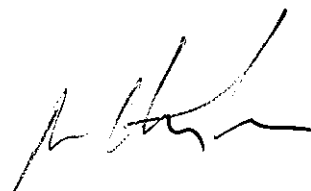
BASIS OF OPINION

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 2001 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

28 November 2001

SYSTEM 6 KITCHENS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2001

	Note	2001 £	2000 £
TURNOVER	2.	1,316,315	949,787
Cost of Sales		767,235	564,713
GROSS PROFIT		549,080	385,074
Net operating expenses		322,125	280,190
OPERATING PROFIT	3.	226,955	104,884
Other interest receivable and similar income		10,705	2,042
Interest payable and similar charges		-	101
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		237,660	106,825
Tax on Profit on ordinary activities	4.	49,590	20,870
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		188,070	85,955
Dividends		19,400	4,800
RETAINED PROFIT FOR THE FINANCIAL YEAR		168,670	81,155
Retained profits brought forward		404,553	323,398
RETAINED PROFITS CARRIED FORWARD		573,223	404,553

The annexed notes form part of these financial statements.

SYSTEM 6 KITCHENS LIMITED

BALANCE SHEET

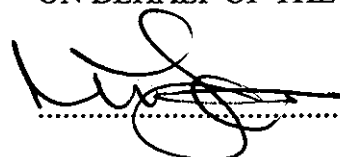
AS AT 31 JANUARY 2001

	Note	£ 2001	£	£ 2000	£
FIXED ASSETS					
Tangible assets	5.	226,065		233,838	
CURRENT ASSETS					
Stocks	6.	84,873		66,719	
Debtors	7.	114,599		62,543	
Cash at bank and in hand		371,209		155,463	
		<u>570,681</u>		<u>284,725</u>	
CREDITORS					
Amounts falling due within one year	8.	209,580		101,145	
		<u></u>		<u></u>	
NET CURRENT ASSETS		361,101		183,580	
TOTAL ASSETS LESS					
CURRENT LIABILITIES		587,166		417,418	
PROVISIONS FOR LIABILITIES					
AND CHARGES	9.	13,941		12,863	
		<u></u>		<u></u>	
NET ASSETS		<u>573,225</u>		<u>404,555</u>	
CAPITAL AND RESERVES					
Called Up Share Capital	10.	2		2	
Profit and Loss Account		573,223		404,553	
		<u></u>		<u></u>	
SHAREHOLDERS' FUNDS		<u>573,225</u>		<u>404,555</u>	

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 2001).

These financial statements were approved by the Board on 28/11/01

ON BEHALF OF THE BOARD



Director

28/11/01 Date

The annexed notes form part of these financial statements.

SYSTEM 6 KITCHENS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 JANUARY 2001****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 2001 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 2001 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 and machinery	-	25% per annum of net book value
Fixtures and 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.

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 as 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.

SYSTEM 6 KITCHENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2001

2. TURNOVER

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

3. OPERATING PROFIT

Operating profit is stated after charging:-

	2001	2000
	£	£
Director's emoluments	30,061	24,007
Auditors' remuneration	3,000	3,795
Depreciation of owned assets	62,648	67,560
Hire of Plant and Machinery	11,651	9,671

after crediting:-

Profit on sale of tangible fixed assets	15,897	3,118
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4. TAX ON PROFIT ON ORDINARY ACTIVITIES

Current Year:

Corporation tax	47,590	21,643
Deferred taxation	1,078	(823)

Prior Year:

Corporation tax underprovided	922	50
	<u>49,590</u>	<u>20,870</u>

SYSTEM 6 KITCHENS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2001

5. TANGIBLE FIXED ASSETS

	Land and Buildings £	Plant and Machinery etc. £	Total £
Cost :			
At 1 February 2000	45,750	582,919	628,669
Additions	25,312	44,166	69,478
Disposals	-	183,652	183,652
At 31 January 2001	71,062	443,433	514,495
Depreciation :			
At 1 February 2000	7,414	387,417	394,831
Charge for the year	6,365	56,283	62,648
Eliminated on disposals	-	169,049	169,049
At 31 January 2001	13,779	274,651	288,430
Net Book Value :			
At 31 January 2001	57,283	168,782	226,065
At 31 January 2000	38,336	195,502	233,838

The cost of depreciable assets included in land and buildings at 31 January 2001 was £71,062.

6. STOCK AND WORK IN PROGRESS

	2001 £	2000 £
Stocks	84,873	66,719

7. DEBTORS - ALL RECEIVABLE WITHIN ONE YEAR

	£	£
Trade Debtors	107,786	59,275
Other Debtors	6,813	3,268
	114,599	62,543

SYSTEM 6 KITCHENS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 JANUARY 2001****8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2001 £	2000 £
Trade Creditors	104,118	47,405
Other Creditors	34,919	11,775
Corporation Tax	47,590	21,643
Other tax and social security	22,953	20,322
	209,580	101,145

Included in trade creditors are amounts totaling £73,770 (2000 £39,958) due in respect of goods for which title does not pass until payment is made.

SYSTEM 6 KITCHENS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2001

9. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Taxation £
Balance at 1 February 2000	12,863
Charge for the year	1,078
Balance at 31 January 2001	13,941

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

	2001		2000	
	Provided £	Potential £	Provided £	Potential £
The accumulated excess of capital allowances over corresponding depreciation	<u>13,941</u>	<u>13,941</u>	<u>12,863</u>	<u>12,863</u>

10. SHARE CAPITAL

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

There have been no changes during the year.