

SYSTEM 6 KITCHENS LIMITED
ACCOUNTS FOR THE YEAR ENDED
31 JANUARY 2002

DIRECTORS: M. T. FOSTER
C. L. 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



DIRECTORS' REPORT**FOR THE YEAR ENDED 31 JANUARY 2002****DIRECTOR'S RESPONSIBILITIES**

Company law requires us as directors 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.

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

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.

DIRECTORS' INTERESTS

The directors of the company who served during the year and their interests in the ordinary shares of the company were as follows:-

	Ordinary Shares of £1 each	
	31/01/02	31/01/01
M. T. FOSTER	2	2
C. L. FOSTER	-	-

Mrs C.L. Foster was appointed a director of the company on 23 July 2002. At the time of her appointment Mrs Foster held no shares in the company.

DIRECTORS' REPORT

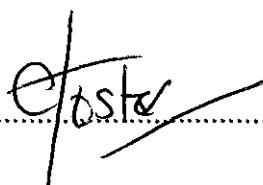
FOR THE YEAR ENDED 31 JANUARY 2002

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 directors has been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD



Secretary

28-11-02

Date

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 2000), 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 directors are 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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



M.J. EDWORTHY AND CO
Registered Auditors

28 November 2002

SYSTEM 6 KITCHENS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2002

4.

		2002 £	2001 £
TURNOVER	Note 2	1,884,325	1,316,315
Cost of sales		1,109,555	767,235
GROSS PROFIT		774,770	549,080
Administrative expenses		326,799	322,125
OPERATING PROFIT	3	447,971	226,955
Other interest receivable and similar income		9,164	10,705
Interest payable and similar charges		519	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		456,616	237,660
Tax on profit on ordinary activities	4	122,022	49,590
PROFIT FOR THE FINANCIAL YEAR		334,594	188,070
Dividends		257,200	19,400
RETAINED PROFIT FOR THE FINANCIAL YEAR		77,394	168,670
Retained profits brought forward		573,223	404,553
RETAINED PROFITS CARRIED FORWARD		650,617	573,223

The annexed notes form part of these financial statements.

BALANCE SHEET

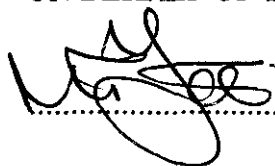
AS AT 31 JANUARY 2002

	Note	£	2002	£	£	2001	£
FIXED ASSETS							
Tangible assets	5		280,507			226,065	
CURRENT ASSETS							
Stocks	6	91,163			84,873		
Debtors	7	306,227			114,599		
Cash at bank and in hand		278,950			371,209		
			676,340		570,681		
CREDITORS							
Amounts falling due within one year	8	286,094			209,580		
NET CURRENT ASSETS			390,246			361,101	
TOTAL ASSETS LESS							
CURRENT LIABILITIES			670,753			587,166	
PROVISIONS FOR LIABILITIES							
AND CHARGES	9		20,134			13,941	
NET ASSETS			650,619			573,225	
CAPITAL AND RESERVES							
Called up share capital	10		2			2	
Profit and loss account			650,617			573,223	
SHAREHOLDERS' FUNDS			650,619			573,225	

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 on28/11/02.....

ON BEHALF OF THE BOARD



Director

28/11/02 Date

The annexed notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2002

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 2002 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 2002 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2002

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:-

	2002 £	2001 £
Directors' emoluments	33,402	30,061
Auditors' remuneration	3,000	3,000
Depreciation of owned assets	69,243	62,648
Hire of plant and machinery	8,859	11,651
Loss on sale of tangible fixed assets	6,626	-
	<u> </u>	<u> </u>
after crediting:-		
Profit on sale of tangible fixed assets	-	15,897
	<u> </u>	<u> </u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

Current year:

Corporation tax	115,829	47,590
Deferred taxation	6,193	1,078

Prior year:

Corporation tax underprovided	-	922
	<u> </u>	<u> </u>
	122,022	49,590
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2002

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc. £	Total £
Cost :			
At 1 February 2001	71,062	443,433	514,495
Additions	64,042	95,578	159,620
Disposals	-	129,605	129,605
At 31 January 2002	135,104	409,406	544,510
Depreciation :			
At 1 February 2001	13,779	274,651	288,430
Charge for the year	12,132	57,111	69,243
Eliminated on disposals	-	93,670	93,670
At 31 January 2002	25,911	238,092	264,003
Net Book Value :			
At 31 January 2002	109,193	171,314	280,507
At 31 January 2001	57,283	168,782	226,065

The cost of depreciable assets included in land and buildings at 31 January 2002 was £135,104

6. STOCK AND WORK IN PROGRESS

	2002 £	2001 £
Stocks	91,163	84,873

7. DEBTORS - ALL RECEIVABLE WITHIN ONE YEAR

	£	£
Trade debtors	285,658	107,786
Other debtors	20,569	6,813
	306,227	114,599

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2002

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade creditors	108,267	104,118
Other creditors	21,977	34,919
Corporation tax	115,829	47,590
Other tax and social security	40,021	22,953
	<u>286,094</u>	<u>209,580</u>

Included in trade creditors are amounts totaling £63,704 (2001 £73,770) 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 2002

9. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred Taxation £
Balance at 1 February 2001	13,941
Charge for the year	6,193
Balance at 31 January 2002	20,134

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

	2002		2001	
	Provided £	Potential £	Provided £	Potential £
The accumulated excess of capital allowances over corresponding depreciation	20,134	20,134	13,941	13,941

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.