

VIADUCT FURNITURE LIMITED
(Registration No 2027354)

REPORT AND ACCOUNTS

31 OCTOBER 1996

JACKSON & CO
CHARTERED ACCOUNTANTS
Parkway House
Sheen Lane
London SW14 8LS



VIADUCT FURNITURE LIMITED

DIRECTORS

S J J Mair
D V D Hurd

SECRETARY

L Morgan-Griffiths

AUDITORS

Jackson & Co
Chartered Accountants
Parkway House
Sheen Lane
London SW14 8LS

BANKERS

Lloyds Bank Plc
310 Chiswick High Road
London W4

REGISTERED OFFICE

Parkway House
Sheen Lane
London SW14 8LS

VIADUCT FURNITURE LIMITED

REPORT AND ACCOUNTS

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VIADUCT FURNITURE LIMITED

DIRECTORS REPORT

The Directors present their report together with the audited accounts for the year to 31 October 1996.

Principal Activity

The principal activity of the Company continues to be the marketing and selling of modern furniture.

Directors and Their Interests

The Directors who served during the period had the following interests in the Company's shares:

	<u>At 31.10.96</u>	<u>At 31.10.95</u>
S J J Mair	76	76
D V D Hurd	38	38

Directors' Responsibilities

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They 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.

VIADUCT FURNITURE LIMITED

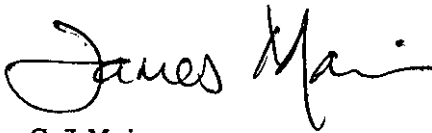
Auditors

Jackson & Co Chartered Accountants are deemed to be re-elected as auditors in accordance with Section 386 of the Companies Act 1985.

Small Company Exemptions

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'James Mair', with a stylized flourish at the end.

S J Mair
Director

30 June 1997

VIADUCT FURNITURE LIMITED

AUDITORS' REPORT TO THE MEMBERS OF VIADUCT FURNITURE LIMITED

We have audited the accounts on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Directors' Report, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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. The audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements by the directors in the preparation of the accounts, 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 accounts 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 accounts.

FUNDAMENTAL UNCERTAINTIES

In forming our opinion, we have noted that the accounts have been prepared on a going concern basis, which is dependent upon the continuing financial support of the Company's bankers and creditors. Our opinion is not qualified in this respect.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 October 1996 and of its results for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



JACKSON AND CO
Chartered Accountants
Parkway House
Sheen Lane
London SW14 8LS

30 June 1997

Registered Auditors

VIADUCT FURNITURE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR TO

31 OCTOBER 1996

	Notes	1996	1995
		£	£
Turnover	2	853,175	630,867
Cost of Sales		583,133	(419,449)
Gross Profit		270,042	211,418
Administrative Expenses	3	(259,393)	(180,366)
Operating (Loss)/Profit		10,649	31,052
Interest Payable		(6,671)	(8,199)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,978	22,853
Tax on ordinary activities		-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		3,978	22,853
ACCUMULATED LOSS BROUGHT FORWARD		(157,152)	(180,005)
ACCUMULATED LOSS CARRIED FORWARD		£(153,174)	£(157,152)

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

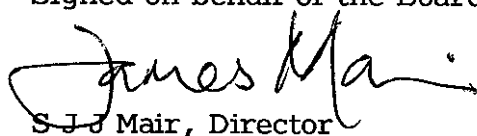
VIADUCT FURNITURE LIMITED

BALANCE SHEET AT 31 OCTOBER 1996

	Notes	1996	1995
		£	£
FIXED ASSETS			
Tangible Assets	5	25,937	21,814
CURRENT ASSETS			
Stock	1	90,938	55,207
Debtors	8	55,178	120,949
Cash in hand		477	168
		146,593	176,324
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	6	(233,309)	(240,764)
NET CURRENT LIABILITIES		(86,716)	(64,440)
Creditors: Amounts falling due after more than one year	7	(32,318)	(54,449)
TOTAL NET LIABILITIES		<u>£(93,097)</u>	<u>£(97,075)</u>
Represented by:			
CAPITAL RESERVES			
Share Capital	4	152	152
Share Premium Account		29,925	29,925
Other Capital Reserves		<u>30,000</u>	<u>30,000</u>
		60,077	60,077
REVENUE RESERVES			
Profit and Loss Account		(153,174)	(157,152)
		<u>£(93,097)</u>	<u>£(97,075)</u>

The Directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that in their opinion, the Company is entitled to those exemptions

Signed on behalf of the Board


S J Mair, Director

30 June 1997

The Notes on pages 5 - 8 form part of these accounts.

VIADUCT FURNITURE LIMITED

NOTES TO THE ACCOUNTS AS AT 31 OCTOBER 1996

1 Accounting Policies

(i) Basis of Accounting

The accounts have been prepared under the historical cost convention.

(ii) Depreciation

Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life on a straight-line basis:

Office Equipment	-	15% straight line
Showroom Equipment	-	15% straight line
Motor Vehicles	-	25% straight line

(iii) Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost includes direct expenditure on carriage inwards.

(iv) Leases

Rentals applicable to operating leases where substantially all of the benefits and risk of ownership remain with the lessor are charged against profit as incurred.

Assets held under finance leases are initially reported at the fair value of the asset, with an equivalent liability categorised as appropriate under creditors due within or after more than one year. The asset is depreciated over the shorter of the lease term and its useful economic life.

(v) Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

(vi) Turnover

Turnover comprises the value of sales (excluding VAT) of goods in the normal course of business.

2 Geographical analysis of turnover

Turnover attributable to geographical markets outside the United Kingdom amounted to 4% (1995 - 6%)

VIADUCT FURNITURE LIMITED

NOTES TO THE ACCOUNTS AS AT 31 OCTOBER 1996 (continued)

3 Administrative Expenses

Administrative expenses include:

	1996 £	1995 £
Auditors remuneration	<u>2,500</u>	<u>1,850</u>
Directors remuneration	<u>NIL</u>	<u>NIL</u>
Depreciation of tangible fixed assets	<u>8,400</u>	<u>6,514</u>
Operating Lease charges	<u>1,360</u>	<u>153</u>

4 Share Capital

	1996 £	1995 £
Authorised Ordinary shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
Allotted called-up and fully paid: Ordinary shares of £1 each	<u>152</u>	<u>152</u>

5 Fixed Assets

	<u>Motor Vehicles</u> £	<u>Office Equipment</u> £	<u>Showroom Equipment</u> £	<u>Total</u> £
Tangible Assets				
Cost at 1 November 1995	10,495	10,216	15,762	36,473
Additions in year	<u>-</u>	<u>11,806</u>	<u>717</u>	<u>12,523</u>
Cost at 31 October 1996	<u>£10,495</u>	<u>£22,022</u>	<u>£16,479</u>	<u>£48,996</u>
Depreciation charge at 1 November 1995	2,625	3,122	8,912	14,659
Depreciation charge for year	<u>2,625</u>	<u>3,303</u>	<u>2,472</u>	<u>8,400</u>
Depreciation at 31 October 1996	<u>£5,250</u>	<u>£6,425</u>	<u>£11,384</u>	<u>£23,059</u>
Net book value at 31 October 1996	<u>£5,245</u>	<u>£15,597</u>	<u>£5,095</u>	<u>£25,937</u>
Net book value at 31 October 1995	<u>£7,870</u>	<u>£7,094</u>	<u>£6,850</u>	<u>£21,814</u>
Leased assets included in the above:				
Net book value 31.10.96	<u>£5,245</u>	<u>-</u>	<u>-</u>	<u>£5,245</u>
Net book value 31.10.95	<u>£7,870</u>	<u>-</u>	<u>-</u>	<u>£7,870</u>

VIADUCT FURNITURE LIMITED

NOTES TO THE ACCOUNTS AS AT 31 OCTOBER 1996 (continued)

6 Creditors: Amounts falling due within one year

	1996 £	1995 £
Bank loans and overdrafts (secured)	87,635	16,384
Trade Creditors	112,947	136,619
Creditors in respect of taxation and social security	21,247	27,237
Other creditors	11,480	60,524
	£233,309	£240,764

The bank overdraft is secured by a legal charge dated 10 March 1990 in favour of Lloyds Bank plc over the assets of the Company.

7 Creditors: Amounts falling due after more than one year

	1996 £	1995 £
Bank loan (secured)	17,405	26,587
Other loan	14,913	25,913
Hire purchase	-	1,949
	£32,318	£54,449

8 Debtors

Amounts falling due within one year

	1996 £	1995 £
Trade debtors	44,863	118,428
Prepayments	590	2,521
	£45,453	£120,949

Amounts falling due after more than one year

Other debtors	9,725	-
	£55,178	£120,949