2056621

VALE FURNISHERS LIMITED

REPORT AND FINANCIAL STATEMENTS

30 APRIL 2000



MENZIES
CHARTERED ACCOUNTANTS



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COMPANIES HOUSE
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21/02/01

VALE FURNISHERS LIMITED

REGISTERED NUMBER : 2056621

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 APRIL 2000

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VALE FURNISHERS LIMITED

DIRECTORS AND ADVISORS

CHAIRMAN	A R Chandler
DIRECTORS	A R Chandler Mrs V J Chandler A Mundell
COMPANY SECRETARY	A R Chandler
REGISTERED OFFICE	Wharf Road Ash Vale Aldershot Hampshire GU12 5AS
AUDITORS	Menzies 3 Downing Street Farnham Surrey GU9 7PA
PRINCIPAL BANKER	Fleming Premier Banking Sovereign House 16-22 Western Road Romford RM1 3SP

VALE FURNISHERS LIMITED

REPORT OF THE DIRECTORS

FINANCIAL STATEMENTS

The directors submit their report and the audited financial statements for the year ended 30 April 2000.

PRINCIPAL ACTIVITY

The company's principal activity during the year was the retail sale of furniture and carpets.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

On 1 May 1999 the company took over the trade of the Vale Furnishers Partnership, a partnership in which two of this company's directors were partners. This expanded the company's activities into the retail furniture trade, as previously carried out by the partnership.

Turnover has continued to increase in comparison to the old partnership, whilst margins have been maintained. This is attributable to the aggressive advertising policy adopted by the company and its good reputation in the retail furniture market.

The directors are pleased to report a profit before taxation for the year ended 30 April 2000 of £1,278,363.

The directors intend to continue their current strategies to maintain and expand the company's customer base. They are confident that the present level of profitability will be maintained in the forth-coming financial year.

DIVIDENDS

The directors do not recommend the payment of a dividend.

FIXED ASSETS

Capital expenditure during the year amounted to £291,940, details of which, including all movements in fixed assets, are shown in the notes to the financial statements. The company also took over assets with a net book value of £22,339 from the Vale Furnishers Partnership, as noted above.

DIRECTORS

The directors in office at 30 April 2000 are listed on page 2, all of whom served on the Board throughout the year.

DIRECTORS' INTERESTS

The directors' interests in the share capital of the company at 1 May 1999 and at 30 April 2000 as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:

	30 April 2000	1 May 1999
Ordinary shares of £1 each		
A R Chandler	2,724	2,724
Mrs V J Chandler	1,080	1,080
A Mundell	-	-
A R Chandler (as Trustee)	49	49

VALE FURNISHERS LIMITED

REPORT OF THE DIRECTORS

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit of the company for that year. In preparing those financial statements the directors are required to:

a) Select suitable accounting policies and then apply them consistently.

b) Make judgements and estimates that are reasonable and prudent.

c) Follow applicable Accounting Standards, subject to any material departures disclosed and explained in the financial statements.

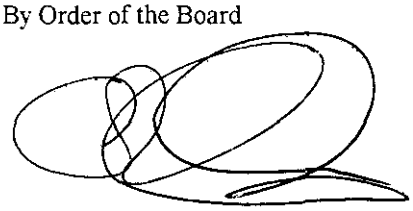
d) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

AUDITORS

Menzies have expressed their willingness to continue in office as auditors and in accordance with Section 385(2) of the Companies Act 1985 a resolution proposing their re-appointment will be submitted to the forthcoming Annual General Meeting.

By Order of the Board



A R Chandler
Secretary

22 December 2000

REPORT OF THE AUDITORS TO THE MEMBERS OF

VALE FURNISHERS LIMITED

We have audited the financial statements on pages 6 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 10.

Respective responsibilities of directors and auditors

As described on page 4 the company's directors are responsible for the preparation of the company's financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial 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 directors 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 30 April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Menzies

Menzies
Chartered Accountants
and Registered Auditors

3 Downing Street
Farnham
Surrey
GU9 7PA

22 December 2000

VALE FURNISHERS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 APRIL 2000

	Note	2000 £	1999 £
TURNOVER	2	4,298,867	377,575
Cost of sales		2,699,516	174,736
GROSS PROFIT		1,599,351	202,839
Administrative and other operating costs		350,412	21,443
OPERATING PROFIT		1,248,939	181,396
Interest receivable	3	29,424	63,262
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	1,278,363	244,658
Tax on profit on ordinary activities	4	380,057	51,445
PROFIT FOR THE FINANCIAL YEAR	13	898,306	193,213

All amounts above are derived from continuing operations and the company has no recognised gains or losses other than the profit for the financial periods detailed above.

The notes on pages 10 to 16 form part of these financial statements.

VALE FURNISHERS LIMITED

BALANCE SHEET

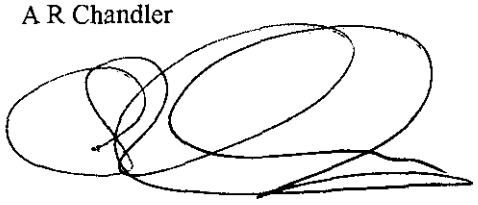
30 APRIL 2000

	Note	2000 £	2000 £	1999 £	1999 £
FIXED ASSETS					
Intangible fixed assets	7		-		-
Tangible fixed assets	8		504,680		216,243
			504,680		216,243
CURRENT ASSETS					
Stock	9	281,556		8,381	
Debtors	10	1,002,411		43,464	
Cash at bank and in hand		1,058,991		1,099,430	
		2,342,958		1,151,275	
CREDITORS: amounts falling due within one year	11	1,098,390		516,576	
NET CURRENT ASSETS			1,244,568		634,699
TOTAL ASSETS LESS CURRENT LIABILITIES			1,749,248		850,942
CAPITAL AND RESERVES					
Called up share capital	12		4,000		4,000
Profit and loss account	13		1,745,248		846,942
EQUITY SHAREHOLDERS' FUNDS			1,749,248		850,942

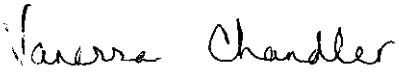
The financial statements were approved by the Board of Directors on 22 December 2000.

DIRECTORS

A R Chandler



Mrs V J Chandler



The notes on pages 10 to 16 form part of these financial statements.

VALE FURNISHERS LIMITED

CASH FLOW STATEMENT

YEAR ENDED 30 APRIL 2000

	2000	1999
	£	£
Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	1,248,939	181,396
Depreciation charges	25,843	4,266
(Increase)/Decrease in stock	(273,175)	962
(Increase)/Decrease in debtors	(958,947)	55,127
Increase/(Decrease) in creditors	253,179	(9,480)
NET CASH INFLOW FROM OPERATING ACTIVITIES	295,839	232,271
CASH FLOW STATEMENT		
Net cash inflow from operating activities	295,839	232,271
Returns on investments and servicing of finance (note 1)	29,424	63,262
Corporation tax paid	(51,422)	(46,345)
Capital expenditure (note 1)	(314,280)	-
	(40,439)	249,188
Financing (note 1)	-	3,600
(Decrease)/Increase in cash	(40,439)	252,788
Reconciliation of net cash flow to movement in net debt (note 2)		
(Decrease)/Increase in cash in the period	(40,439)	252,788
Net funds at 1 May 1999	1,099,430	846,642
Net funds at 30 April 2000	1,058,991	1,099,430

VALE FURNISHERS LIMITED

NOTES TO THE CASH FLOW STATEMENT

YEAR ENDED 30 APRIL 2000

1 GROSS CASH FLOWS

	2000	1999
	£	£
Returns on investments and servicing of finance		
Interest received	29,424	63,262
Capital expenditure		
Payments to acquire intangible fixed assets	(1)	-
Payments to acquire tangible fixed assets	(314,279)	-
	(314,280)	-
Financing		
Share capital	-	3,600

2 ANALYSIS OF CHANGES IN NET DEBT

	At 1 May 1999	Cash flows	At 30 April 2000
	£	£	£
Cash in hand and at bank	1,099,430	(40,439)	1,058,991

1 ACCOUNTING POLICIES

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

Accounting convention

The financial statements have been prepared in accordance with applicable Accounting Standards and under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is charged on the following bases to reduce the cost of the company's tangible fixed assets to their net realisable values over their estimated useful lives at the following rates:

Freehold buildings	2% straight line
Plant and machinery	25% net book value
Fixtures and fittings	25% net book value

Freehold land is treated as a non-depreciating fixed asset. The cost of freehold buildings are determined separately and depreciated accordingly.

Goodwill

Goodwill represents the excess of cost over the net book value of the underlying assets and business acquired. Goodwill is amortised 100% on acquisition.

Stock

Stock is stated at the lower of cost and net realisable value. In the case of raw materials and consumable stores, cost means purchase price calculated on a first in, first out basis. Net realisable value means the estimated selling price less all further costs to completion and all costs to be incurred in marketing, selling and distribution.

Deferred taxation

Provision is made for deferred taxation on the liability method for all short-term timing differences. Provision is also made for long-term timing differences, except to the extent that there is a reasonable probability of the tax not falling due for payment in the foreseeable future. Such tax not provided for is disclosed as a contingent liability.

2 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit on ordinary activities before taxation is attributable to the principal activity of the company.

The profit is stated after charging:

	2000	1999
	£	£
Operating lease payments in connection with land and buildings	48,000	-
Depreciation of tangible fixed assets	25,842	4,266
Amortisation of goodwill	1	-
Auditors' remuneration	7,000	2,500
Directors' emoluments	39,974	-

3 INTEREST RECEIVABLE

	2000	1999
	£	£
Deposit interest receivable	29,424	63,262

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000	1999
	£	£
U.K. corporation tax at 30% (1999 - 21%)	380,085	51,450
	380,085	51,450
Prior year adjustments - corporation tax	(28)	(5)
	380,057	51,445

There is no charge for deferred taxation.

5 STAFF COSTS

Staff costs, including directors' remuneration, were as follows:

	2000	1999
	£	£
Wages and salaries	375,897	87,640

The average weekly number of employees during the year was as follows:

	2000	1999
	No.	No.
Office and management	4	2
Sales and warehouse	20	7
	24	9

6 DIRECTORS' EMOLUMENTS

Directors' emoluments were as follows:

	2000	1999
	£	£
Total emoluments	39,974	-

None of the directors accrued any pension benefits during the year (1999 - £nil).

7 INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST	
At 1 May 1999	-
Additions	1
At 30 April 2000	1
AMORTISATION	
At 1 May 1999	-
Charge for the year	1
At 30 April 2000	1
NET BOOK VALUE	
At 30 April 1999	-
At 30 April 2000	-

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings	Plant and machinery	Fixtures and fittings	Total
	£	£	£	£
COST				
At 1 May 1999	226,957	16,674	-	243,631
Additions	245,874	44,850	1,216	291,940
Transfer from partnership	-	60,855	12,067	72,922
At 30 April 2000	472,831	122,379	13,283	608,493
DEPRECIATION				
At 1 May 1999	15,735	11,653	-	27,388
Charge for the year	7,486	16,699	1,657	25,842
Transfer from partnership	-	43,929	6,654	50,583
At 30 April 2000	23,221	72,281	8,311	103,813
NET BOOK VALUE				
At 30 April 1999	211,222	5,021	-	216,243
At 30 April 2000	449,610	50,098	4,972	504,680

9 STOCK

	2000	1999
	£	£
Finished goods	281,556	8,381

There were no significant differences between the replacement cost and the values disclosed for all categories of stock.

10 DEBTORS

	2000	1999
	£	£
Trade debtors	707,001	42,997
Other debtors	271,464	-
Directors' current accounts	5,000	-
Prepayments and accrued income	18,946	467
	1,002,411	43,464

All amounts included above are considered receivable within one year of the balance sheet date.

11 CREDITORS: amounts falling due within one year

	2000	1999
	£	£
Trade creditors	351,721	12,966
Current corporation tax	380,085	51,450
Social security and other taxes	64,642	12,190
Other creditors	-	429,418
Directors' current accounts	36,745	-
Accruals and deferred income	265,197	10,552
	1,098,390	516,576

12 CALLED UP SHARE CAPITAL

	2000	1999
	£	£
Authorised		
Ordinary shares of £1 each	4,000	10,000
Allotted, called up and fully paid		
Ordinary shares of £1 each		
At 1 May 1999	4,000	200
Shares issued during the year	-	3,800
At 30 April 2000	4,000	4,000

13 PROFIT AND LOSS ACCOUNT

	2000	1999
	£	£
At 1 May 1999	846,942	653,929
Profit for the financial year	898,306	193,213
Capitalisation of reserves	-	(200)
At 30 April 2000	1,745,248	846,942

14 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Profit for the financial year	898,306	193,213
Share issues	-	3,800
	898,306	197,013
Capitalisation of reserves	-	(200)
Net addition to shareholders' funds	898,306	196,813
Opening shareholders' funds	850,942	654,129
Closing shareholders' funds	1,749,248	850,942

15 COMMITMENTS UNDER OPERATING LEASES

The company is committed to making the following payments under operating leases over the next twelve months:

	Land and buildings
	£
Contracts to expire after five years	50,860

16 CAPITAL COMMITMENTS

There were no capital commitments as at 30 April 2000 (1999 - £35,974).

17 CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 April 2000 (1999 - £nil).

18 RELATED PARTY TRANSACTIONS

a) On 1 May 1999, the company took over the trade and the relevant assets and liabilities of Vale Furnishers at net book value with a goodwill valuation of £1. Vale Furnishers was a partnership that ceased to trade on 30 April 1999 and two of this company's directors, A R Chandler and Mrs V J Chandler, were partners in the partnership. At 30 April 2000 the former partnership owed £237,597 to the company.

b) At 30 April 2000, the company had made an unsecured, interest free loan amounting to £11,587 to a relative of A R Chandler and Mrs V J Chandler.

c) At 30 April 2000, the company owed a VAT partnership, in which the company has a 20% investment and A R Chandler has a 40% share, net monies amounting to £33,000 in relation to rents receivable and payable for the year ended 30 April 2000.

DIRECTORS' LOANS

	1 May 1999	Maximum during the year	30 April 2000
	£	£	£
A Mundell	-	5,000	5,000
	-	5,000	5,000

The loan was unsecured, interest free and is considered to be repayable on demand.

19 CONTROLLING PARTY

The company is controlled by A R Chandler by virtue of his controlling interest in the issued share capital of the company.