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Company Number: 3106295

Nicholas Haslam Limited
Financial Statements
for the year ended 31st January 1999



Nicholas Haslam Limited

Company Information

Company No: 3106295

Chairman

P. Moschino

Business Address

12, Holbein Place,
London,
SW1 8NL.

Registered Office

5, Wigmore Street,
London,
W1H 0HY.

Directors

P. Moschino
N.P. Haslam

Secretary

P. Moschino

Auditors

Benjamin, Taylor & Co.,
5, Wigmore Street,
London,
W1H 0HY.

Bankers

National Westminster Bank plc,
1st Floor,
Portland House,
Stag Place,
London,
SW1E 5NW.

Page No.

1 to 2	Directors' Report
3	Auditors' Report
4	Profit and Loss Account
5	Balance Sheet
6	Cash Flow Statement
7 to 14	Notes to the Financial Statements

Nicholas Haslam Limited

Directors' Report

for the year ended 31st January 1999

The directors submit their report together with the audited financial statements for the year ended 31st January 1999.

Directors' Statement

Company law requires the 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 for that year. In preparing those financial statements the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 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 the financial statements 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.

Results and Dividends

The profit on the ordinary activities of the company before taxation amounted to £145,503. After deducting taxation, the profit of £113,469 has been transferred to reserves.

The directors do not recommend a dividend.

Year 2000

As is well known, many computers and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue.

The operation of our business depends not only on our computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

The company is well advanced in the phase of assessing the risks to our business resulting from the date change to the Year 2000. Once this phase is completed we can assess the likely impact on our activities and develop prioritised action plans to deal with the key risks.

Principal Activity and Business Review

The principal activity of the company continued to be that of retailers and wholesalers of interior designing goods and services.

The directors expect that the level of activity will continue in the foreseeable future.

Nicholas Haslam Limited

Directors' Report

for the year ended 31st January 1999

Directors and their Interests

The directors who served during the year and their beneficial interests in the share capital of the company at the beginning and at the end of the year were as follows:

	Ordinary shares of £1 each	
	1999 No.	1998 No.
P. Moschino	100	90
N.P. Haslam	-	10

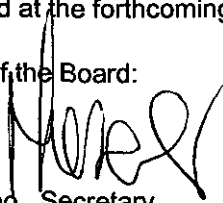
Tax Status

The company is a close company as defined by S414 of the Income and Corporation Taxes Act 1988.

Auditors

The Auditors, Benjamin, Taylor & Co., Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board:


P. Moschino, Secretary

4th November 1999

Auditors' Report to the Shareholders

on the Financial Statements for the year ended 31st January 1999

We have audited the financial statements on pages 4 to 14, which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of the directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the 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.

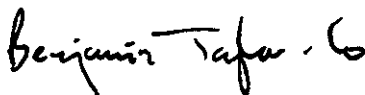
Basis of opinion

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 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 information and explanations which we consider 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 31st January 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Benjamin, Taylor & Co.,
Chartered Accountants
and Registered Auditors**

5, Wigmore Street,
London,
W1H 0HY.

4th November 1999

Nicholas Haslam Limited
Profit and Loss Account
for the year ended 31st January 1999

	Notes	1999 £	1998 £
Turnover	2	977,953	649,658
Cost of sales		(559,590)	(317,884)
Gross profit		418,363	331,774
Administrative expenses		(277,674)	(238,230)
Other operating income	3	-	1,137
Operating profit	4	140,689	94,681
Interest receivable	5	7,118	2,079
Interest payable	6	(2,304)	(5,728)
Profit on ordinary activities before Taxation		145,503	91,032
Tax on profit on ordinary activities	9	(32,034)	(20,098)
Profit on ordinary activities after Taxation		113,469	70,934
Retained profit brought forward		81,009	10,075
Retained profit carried forward		194,478	81,009

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

The notes on pages 7 to 14 form part of these financial statements.

Nicholas Haslam Limited

Balance Sheet

as at 31st January 1999

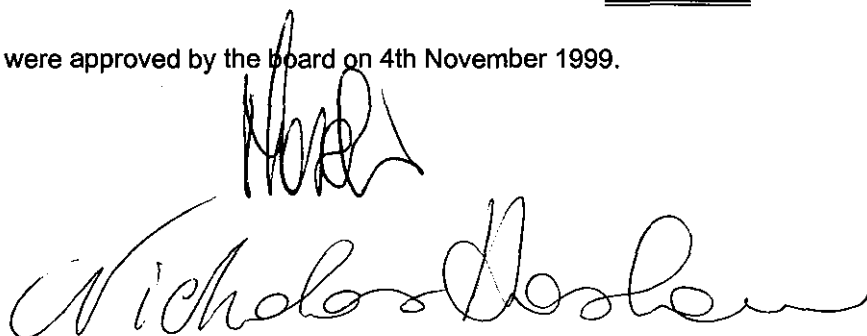
	Notes	1999 £	1998 £
Fixed Assets			
Tangible fixed assets	10	36,180	22,570
Current Assets			
Stock	11	66,333	66,028
Debtors	12	92,064	32,704
Cash at bank		141,516	137,740
		<u>299,913</u>	<u>236,472</u>
Creditors:			
Amounts falling due within one year	13	<u>(128,372)</u>	<u>(153,671)</u>
Net Current Assets		171,541	82,801
Total Assets Less Current Liabilities		<u>207,721</u>	<u>105,371</u>
Creditors:			
Amounts falling due after more than one year	14	<u>(13,143)</u>	<u>(24,262)</u>
		<u>194,578</u>	<u>81,109</u>
Capital and Reserves			
Called up share capital	16	100	100
Profit and loss account		194,478	81,009
Equity Shareholders' Funds	17	<u>194,578</u>	<u>81,109</u>

These accounts were approved by the board on 4th November 1999.

P. Moschino

N.P. Haslam

Directors



The notes on pages 7 to 14 form part of these financial statements.

Nicholas Haslam Limited

Cash Flow Statement

for the year ended 31st January 1999

	Notes	1999 £	1998 £
Cash Flow from Operating Activities	18	80,766	98,050
Returns on Investments and Servicing of Finance	19	4,814	(3,649)
Taxation		(20,098)	(3,572)
Capital Expenditure and Financial Investment	19	(8,505)	(7,904)
Cash inflow before use of liquid resources and financing		56,977	82,925
Financing	19	(53,201)	(9,246)
Increase in Cash in the year	20	3,776	73,679
Reconciliation of Net Cash Flow to movement in Net Debt			
Increase in Cash in the year		3,776	73,679
Cash outflow from decrease in debt and lease financing	20	53,201	9,246
Change in net debt resulting from cashflows		56,977	82,925
New finance leases	20	(14,460)	(7,335)
Movement in Net Debt in the period		42,517	75,590
Net Debt at 1st February 1998		84,869	9,279
Net Debt at 31st January 1999	20	127,386	84,869

The notes on pages 7 to 14 form part of the financial statements.

Nicholas Haslam Limited
Notes to the Financial Statements
for the year ended 31st January 1999

1 Principal Accounting Policies

Accounting Convention

The financial statements have been prepared in accordance with applicable Accounting Standards 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 calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Motor vehicles	25% straight line basis
Furniture and equipment	20% straight line basis
Computer equipment	33.3% straight line basis

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All other exchange differences are dealt with through the profit and loss account.

Contribution to Pension Funds

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

Nicholas Haslam Limited
Notes to the Financial Statements
for the year ended 31st January 1999

2 Turnover

The turnover and operating profit for the year was derived from the company's principal activity.

The geographical analysis of turnover is as follows:

	1999 £	1998 £
United Kingdom	708,659	451,244
Europe	74,606	63,901
Rest of the World	194,688	134,513
	<u>977,953</u>	<u>649,658</u>

3 Other Operating Income

	1999 £	1998 £
Rental income	-	1,137
	<u>-</u>	<u>1,137</u>

4 Operating Profit

The operating profit is stated after charging or crediting:

	1999 £	1998 £
Other operating lease rentals	18,500	18,500
Amounts payable to the auditors in respect of audit services	5,000	5,000
Amounts payable to the auditors in respect of non-audit services	7,150	10,896
Depreciation - owned assets	6,544	3,384
Depreciation - assets held under hire purchase or finance lease contracts	2,251	2,175
Loss on disposal of fixed assets	560	-
	<u>560</u>	<u>-</u>

5 Interest Receivable

	1999 £	1998 £
Bank interest received	7,118	2,079
	<u>7,118</u>	<u>2,079</u>

6 Interest Payable

	1999 £	1998 £
Bank loan and overdraft	365	5,277
Hire purchase and finance lease interest	1,778	363
Interest on late payment of corporation tax	161	88
	<u>2,304</u>	<u>5,728</u>

Nicholas Haslam Limited

Notes to the Financial Statements

for the year ended 31st January 1999

7 Directors and Employees

Staff costs during the year were as follows:

	1999 £	1998 £
Wages and salaries	81,775	62,768
Social security costs	8,117	6,272
Other pension costs	4,800	4,000
	<u>94,692</u>	<u>73,040</u>

The average monthly number of employees, including directors, during the year was as follows:

	1999 Number	1998 Number
Management	2	2
Selling and distribution	2	3
	<u>4</u>	<u>5</u>

Remuneration in respect of directors was as follows:

	1999 £	1998 £
Aggregate amount of emoluments paid in respect of qualifying services	29,000	24,000
Aggregate value of company contributions to money purchase pension schemes	4,800	4,000
	<u>33,800</u>	<u>28,000</u>

Other directors disclosures in respect of qualifying services:

	1999 Number	1998 Number
The number of directors to whom retirement benefits are accruing under money purchase pension schemes	<u>1</u>	<u>1</u>

8 Pensions - Defined Contribution Scheme

The company operates a defined contribution pension scheme for the benefit of the director. The assets of the scheme are administered by trustees in a fund independent from those of the company. At the balance sheet date there were no outstanding or prepaid contributions (1998 - Nil).

9 Tax on Profit on Ordinary Activities

	1999 £	1998 £
Based on the profit for the year:		
U.K. Corporation tax at 21% (1998 21%)	<u>32,034</u>	<u>20,098</u>

Nicholas Haslam Limited

Notes to the Financial Statements

for the year ended 31st January 1999

10 Tangible Fixed Assets

	Motor vehicles	Furniture and equipment	Computer equipment	Total
Cost	£	£	£	£
At 1st February 1998	14,500	17,599	-	32,099
Additions	30,020	427	2,018	32,465
Disposals	(14,500)	-	-	(14,500)
At 31st January 1999	30,020	18,026	2,018	50,064
Depreciation				
At 1st February 1998	2,175	7,354	-	9,529
Charged for the year	4,515	3,602	678	8,795
Eliminated on disposal	(4,440)	-	-	(4,440)
At 31st January 1999	2,250	10,956	678	13,884
Net Book Value				
Owned assets	-	7,070	1,340	8,410
Leased assets	27,770	-	-	27,770
At 31st January 1999	27,770	7,070	1,340	36,180
Owned assets	-	10,245	-	10,245
Leased assets	12,325	-	-	12,325
At 31st January 1998	12,325	10,245	-	22,570

11 Stocks

	1999 £	1998 £
Goods for re-sale	66,333	66,028

12 Debtors

	1999 £	1998 £
Trade debtors	76,573	15,964
Other debtors	10,036	9,676
Prepayments	5,455	7,064
	92,064	32,704

Other debtors include a rental deposit of £10,036 (1997: £9,676) which is repayable at the end of lease on 21st December 2002.

Nicholas Haslam Limited
Notes to the Financial Statements
for the year ended 31st January 1999

13	Creditors: Amounts falling due within one year	1999	1998
		£	£
	Bank loan	-	47,409
	Net obligations under hire purchase and finance lease contracts	987	3,625
	Trade creditors	32,961	54,586
	Director's loan account	22,425	-
	Corporation tax	32,034	20,098
	Other taxes and social security	13,374	7,993
	Accruals	26,591	19,960
		<u>128,372</u>	<u>153,671</u>

The directors loan is interest free and repayable on demand.

Obligations under hire purchase and finance lease contracts are secured on the assets concerned.

14	Creditors: Amounts falling due after one year	1999	1998
		£	£
	Net obligations under hire purchase and finance lease contracts	13,143	1,837
	Directors' loan account	-	22,425
		<u>13,143</u>	<u>24,262</u>

Bank loans repayable by instalments are as follows:-

	1999	1998
	£	£
Within one year	-	47,409
Total bank loan repayments	<u>-</u>	<u>47,409</u>

Obligations under hire purchase and finance lease contracts are secured on the assets concerned.

15	Obligations Under Hire Purchase and Finance Lease	1999	1998
		£	£
	Obligations under finance leases and hire purchase contracts are analysed as follows:		
	Within one year	987	3,625
	Between one and two years	13,143	1,837
		<u>14,130</u>	<u>5,462</u>

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

Nicholas Haslam Limited
Notes to the Financial Statements
for the year ended 31st January 1999

16 Share Capital

Authorised	1999 £	1998 £
100,000 Ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid	1999 £	1998 £
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

17 Reconciliation of the Movement in Shareholders' Funds

	1999 £	1998 £
Profit for the financial year	113,469	70,934
Increase in shareholders' funds	113,469	70,934
Opening shareholders' funds	81,109	10,175
Closing shareholders' funds	<u>194,578</u>	<u>81,109</u>

18 Reconciliation of Operating Profit to Operating Cash Flows

	1999 £	1998 £
Operating profit	140,689	94,681
Depreciation charges	8,795	5,559
Loss on disposal of fixed assets	560	-
(Increase) in stocks	(305)	(31,607)
(Increase)/Decrease in debtors	(59,360)	3,879
(Decrease)/Increase in creditors	(9,613)	25,538
Net Cash Inflow from Operating Activities	<u>80,766</u>	<u>98,050</u>

Nicholas Haslam Limited

Notes to the Financial Statements

for the year ended 31st January 1999

19 Analysis of Cash Flows for headings netted in the Cash Flow Statement

Returns on Investments and Servicing of Finance	1999 £	1998 £
Interest received	7,118	2,079
Interest paid	(526)	(5,365)
Interest element of finance lease rental payments	(1,778)	(363)
Net Cash Inflow/(Outflow) for Returns on Investments and Servicing of Finance	4,814	(3,649)
Capital Expenditure and Financial Investment	1999 £	1998 £
Purchase of tangible fixed assets	(18,005)	(7,904)
Proceeds from the sale of fixed assets	9,500	-
Net Cash (Outflow) for Capital Expenditure and Financial Investment	(8,505)	(7,904)
Financing	1999 £	1998 £
Debt due within a year: repayments made	(47,409)	(7,373)
Capital elements of finance lease rental payments	(5,792)	(1,873)
Net Cash (Outflow) from Financing	(53,201)	(9,246)

20 Analysis of Changes in Net Debt

	At 1st February 1998 £	Cash flows £	Other non-cash changes £	At 31st January 1999 £
Cash in hand and at bank	137,740	3,776	-	141,516
Bank loan due within 1 year	(47,409)	47,409	-	-
Finance leases	(5,462)	5,792	(14,460)	(14,130)
Total	84,869	56,977	(14,460)	127,386

Nicholas Haslam Limited
Notes to the Financial Statements
for the year ended 31st January 1999

21 Operating Lease Commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the next financial year:

	1999 Land and buildings £	1998 Land and buildings £
Expiring:		
Within one year	-	-
Within two to five years	18,500	18,500
After five years	-	-
	<u>18,500</u>	<u>18,500</u>

22 Related Party Transactions

Nicholas Haslam Limited is controlled by the directors.

At 31st January 1999, a loan of £22,425 (1998: £22,425) was owed to P.Moschino, a director of the company. This loan was interest free and repayable on demand.

23 Major Non-Cash Transactions

During the year the company entered into finance lease arrangements in respect of assets with a total capital value at the inception of the leases of £14,460.