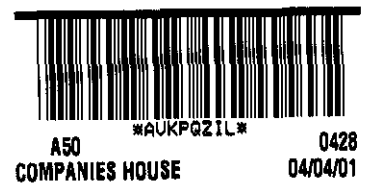


Company Number: 3106295

Nicholas Haslam Limited
Financial Statements
for the year ended 31st January 2000



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,
W1U 1HY.

Directors

P. Moschino
T McLaren
N.P. Haslam

Secretary

P. Moschino

Auditors

Benjamin, Taylor & Co.,
5, Wigmore Street,
London,
W1U 1HY.

Bankers

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

Nicholas Haslam Limited

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3	Auditors' Report
4	Profit and Loss Account
5	Balance Sheet
6	Cash Flow Statement
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Nicholas Haslam Limited

Directors' Report

for the year ended 31st January 2000

The directors submit their report together with the audited financial statements for the year ended 31st January 2000.

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 £104,476. After deducting taxation, the profit of £81,488 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 2000

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	
	2000 No.	1999 No.
P. Moschino	100	100
T McLaren	-	-
N.P. Haslam	-	-

T.McLaren was appointed a director of the company on 11th March 1999.

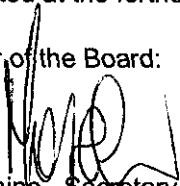
Tax Status

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

22nd March 2001

Nicholas Haslam Limited

Auditors' Report to the Shareholders

on the Financial Statements for the year ended 31st January 2000

We have audited the financial statements on pages 4 to 14, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999), under the historical cost convention and the accounting policies set out on pages 7 and 8.

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.

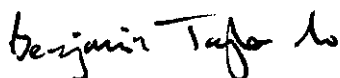
Basis of opinion

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 2000 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,
W1U 1HY.

22nd March 2001

Nicholas Haslam Limited

Profit and Loss Account

for the year ended 31st January 2000

	Notes	2000 £	1999 £
Turnover	2	1,133,724	977,953
Cost of sales		(689,245)	(559,590)
Gross profit		444,479	418,363
Administrative expenses		(346,257)	(277,674)
Operating profit	3	98,222	140,689
Interest receivable	4	7,503	7,118
Interest payable	5	(1,249)	(2,304)
Profit on ordinary activities before Taxation		104,476	145,503
Tax on profit on ordinary activities	7	(22,988)	(32,034)
Profit on ordinary activities after Taxation		81,488	113,469
Retained profit brought forward		194,478	81,009
Retained profit carried forward		275,966	194,478

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 2000

	Notes	2000	1999
		£	£
Fixed Assets			
Tangible fixed assets	8	27,190	36,180
Current Assets			
Stock	9	38,431	66,333
Debtors	10	86,951	92,064
Cash at bank		278,236	141,516
		403,618	299,913
Creditors:			
Amounts falling due within one year	11	(142,587)	(128,372)
Net Current Assets		261,031	171,541
Total Assets Less Current Liabilities		288,221	207,721
Creditors:			
Amounts falling due after more than one year	12	(12,155)	(13,143)
		276,066	194,578
Capital and Reserves			
Called up share capital	14	100	100
Profit and loss account		275,966	194,478
Equity Shareholders' Funds	15	276,066	194,578

These accounts were approved by the board on 22nd March 2001.

P. Moschino

T McLaren

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 2000

	Notes	2000 £	1999 £
Cash Flow from Operating Activities	16	165,318	80,765
Returns on Investments and Servicing of Finance	17	6,254	4,814
Taxation		(32,034)	(20,098)
Capital Expenditure and Financial Investment	17	(1,830)	(8,505)
Cash inflow before use of liquid resources and financing		137,708	56,976
Financing	17	(988)	(53,201)
Increase in Cash in the year	18	<u>136,720</u>	<u>3,775</u>
Reconciliation of Net Cash Flow to movement in Net Debt			
Increase in Cash in the year		136,720	3,775
Cash outflow from decrease in debt and lease financing	18	<u>988</u>	<u>53,201</u>
Change in net debt resulting from cashflows		137,708	56,976
New finance leases	18	<u>-</u>	<u>(14,460)</u>
Movement in Net Debt in the period		137,708	42,516
Net Debt at 1st February 1999		<u>127,385</u>	<u>84,868</u>
Net Debt at 31st January 2000	18	<u>265,093</u>	<u>127,384</u>

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 2000

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.

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

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.

Nicholas Haslam Limited

Notes to the Financial Statements

for the year ended 31st January 2000

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.

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:

	2000 £	1999 £
United Kingdom	807,430	708,659
Europe	76,332	74,606
Rest of the World	247,936	194,688
	<u>1,131,698</u>	<u>977,953</u>

3 Operating Profit

The operating profit is stated after charging or crediting:

	2000 £	1999 £
Other operating lease rentals	18,500	18,500
Amounts payable to the auditors in respect of audit services	6,500	5,000
Amounts payable to the auditors in respect of non-audit services	1,600	7,150
Depreciation - owned assets	8,569	6,544
Depreciation - assets held under hire purchase or finance lease contracts	2,251	2,251
Loss on disposal of fixed assets	-	560
	<u>-</u>	<u>560</u>

4 Interest Receivable

	2000 £	1999 £
Bank interest received	7,503	7,118
	<u>7,503</u>	<u>7,118</u>

5 Interest Payable

	2000 £	1999 £
Bank loan and overdraft	-	365
Hire purchase and finance lease interest	1,202	1,778
Interest on late payment of corporation tax	47	161
	<u>1,249</u>	<u>2,304</u>

Nicholas Haslam Limited

Notes to the Financial Statements

for the year ended 31st January 2000

6 Directors and Employees

Staff costs during the year were as follows:

	2000	1999
	£	£
Wages and salaries	99,316	81,775
Social security costs	9,831	8,117
Other pension costs	26,800	4,800
	<u>135,947</u>	<u>94,692</u>

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

	2000	1999
	Number	Number
Management	2	2
Selling and distribution	2	2
	<u>4</u>	<u>4</u>

Remuneration in respect of directors was as follows:

	2000	1999
	£	£
Aggregate amount of emoluments paid in respect of qualifying services	55,249	30,182
Aggregate value of company contributions to money purchase pension schemes	26,800	4,800
	<u>82,049</u>	<u>34,982</u>

Other directors disclosures in respect of qualifying services:

	2000	1999
	Number	Number
The number of directors to whom retirement benefits are accruing under money purchase pension schemes	<u>1</u>	<u>1</u>

7 Tax on Profit on Ordinary Activities

Based on the profit for the year:

U.K. Corporation tax at 20% (1999 21%)

	2000	1999
	£	£
	<u>22,988</u>	<u>32,034</u>

Nicholas Haslam Limited

Notes to the Financial Statements

for the year ended 31st January 2000

8 Tangible Fixed Assets

	Motor vehicles	Furniture and equipment	Computer equipment	Total
Cost	£	£	£	£
At 1st February 1999	30,020	18,026	2,018	50,064
Additions	-	480	1,350	1,830
At 31st January 2000	30,020	18,506	3,368	51,894
Depreciation				
At 1st February 1999	2,250	10,956	678	13,884
Charged for the year	6,000	3,700	1,120	10,820
At 31st January 2000	8,250	14,656	1,798	24,704
Net Book Value				
Owned assets	-	3,850	1,570	5,420
Leased assets	21,770	-	-	21,770
At 31st January 2000	21,770	3,850	1,570	27,190
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

9 Stocks

	2000 £	1999 £
Goods for re-sale	38,431	66,333

10 Debtors

	2000 £	1999 £
Trade debtors	62,202	76,573
Other debtors	18,451	10,036
Prepayments	6,298	5,455
	86,951	92,064

Other debtors include a rental deposit of £10,216 (1999: £10,036) 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 2000

11 Creditors: Amounts falling due within one year	2000	1999
	£	£
Net obligations under hire purchase and finance lease contracts	988	988
Trade creditors	67,874	32,961
Director's loan account	22,425	22,425
Corporation tax	22,988	32,034
Other taxes and social security	10,704	13,374
Accruals	17,608	26,590
	<u>142,587</u>	<u>128,372</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.

12 Creditors: Amounts falling due after one year	2000	1999
	£	£
Net obligations under hire purchase and finance lease contracts	12,155	13,143
	<u>12,155</u>	<u>13,143</u>

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

13 Obligations Under Hire Purchase and Finance Lease	2000	1999
	£	£
Obligations under finance leases and hire purchase contracts are analysed as follows:		
Within one year	988	988
Between one and two years	12,155	13,143
	<u>13,143</u>	<u>14,131</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 2000

14 Share Capital

Authorised	2000 £	1999 £
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	2000 £	1999 £
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

15 Reconciliation of the Movement in Shareholders' Funds

	2000 £	1999 £
Profit for the financial year	81,488	113,469
Increase in shareholders' funds	81,488	113,469
Opening shareholders' funds	194,578	81,109
Closing shareholders' funds	<u>276,066</u>	<u>194,578</u>

16 Reconciliation of Operating Profit to Operating Cash Flows

	2000 £	1999 £
Operating profit	98,222	140,689
Depreciation charges	10,820	8,795
Loss on disposal of fixed assets	-	560
Decrease/(Increase) in stocks	27,902	(305)
Decrease/(Increase) in debtors	5,113	(59,360)
Increase/(Decrease) in creditors	23,261	(9,614)
Net Cash Inflow from Operating Activities	<u>165,318</u>	<u>80,765</u>

Nicholas Haslam Limited

Notes to the Financial Statements

for the year ended 31st January 2000

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

Returns on Investments and Servicing of Finance	2000	1999
	£	£
Interest received	7,503	7,118
Interest paid	(47)	(526)
Interest element of finance lease rental payments	(1,202)	(1,778)
Net Cash Inflow for Returns on Investments and Servicing of Finance	6,254	4,814
Capital Expenditure and Financial Investment	2000	1999
	£	£
Purchase of tangible fixed assets	(1,830)	(18,005)
Proceeds from the sale of fixed assets	-	9,500
Net Cash (Outflow) for Capital Expenditure and Financial Investment	(1,830)	(8,505)
Financing	2000	1999
	£	£
Debt due within a year: repayments made	-	(47,410)
Capital elements of finance lease rental payments	(988)	(5,791)
Net Cash (Outflow) from Financing	(988)	(53,201)

18 Analysis of Changes in Net Debt

	At 1st February 1999 £	Cash flows £	At 31st January 2000 £
Cash in hand and at bank	141,516	136,720	278,236
Bank loan due within 1 year	-	-	-
Finance leases	(14,131)	988	(13,143)
Total	127,385	137,708	265,093

Nicholas Haslam Limited
Notes to the Financial Statements
for the year ended 31st January 2000

19 Operating Lease Commitments

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

	2000 Land and buildings £	1999 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>

20 Pensions - Defined Contribution Scheme

The company contributes to a personal 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. The retirement benefits are accruing for 1 director (1999: 1).

21 Related Party Transactions

At 31st January 2000, a loan of £22,425 (1999: £22,425) was owed to P.Moschino, a director of the company. This loan was interest free and repayable on demand.

22 Controlling Parties

The controlling party is P.Moschino, who owns the entire issued share capital of the company.