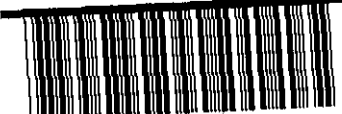


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PLEASE SIGN AND RETURN

Company Number 3106295

Nicholas Haslam Limited
Financial Statements
For the year ended 31st January 2003



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Nicholas Haslam Limited
Financial Statements
For the year ended 31st January 2003

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Nicholas Haslam Limited

Company Information

The board of directors	P. Moschino N. Haslam P. Vergeylen
Company secretary	P. Moschino
Registered office	5, Wigmore Street, London, W1U 1HY.
Registered number	3106295
Auditors	Benjamin, Taylor & Co Chartered Accountants & Registered Auditors 5, Wigmore Street, London W1U 1HY.
Bankers	National Westminster Bank plc, 1st Floor, Portland House, Stag Place, London, SW1E 5NW.

Nicholas Haslam Limited

The Directors' Report

For the year ended 31st January 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st January 2003.

Principal activities

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

The directors and their interests in shares of the company

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		Ordinary Shares of £1 each	
		At	At
		31 January 2003	1 February 2002
P. Moschino		100	100
N. Haslam		—	—
P. Vergeylen	(Appointed 20 December 2002)	—	—
T. Bennett	(Retired 1 January 2003)	—	—

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 affairs of the company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 8 to 9, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 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.

Donations

During the year the company made the following contributions:

	2003	2002
	£	£
Charitable	236	250

Nicholas Haslam Limited

The Directors' Report *(continued)*

For the year ended 31st January 2003

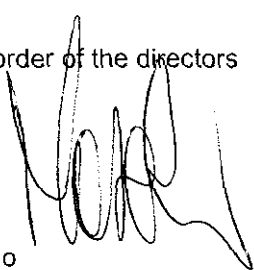
Auditors

A resolution to re-appoint Benjamin, Taylor & Co as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Signed by order of the directors



P. Moschino
Company Secretary

Approved by the directors on 23rd January 2004

Independent Auditors' Report to the Shareholders of

Nicholas Haslam Limited

For the year ended 31st January 2003

We have audited the financial statements of Nicholas Haslam Limited for the year ended 31st January 2003 as set out on pages 6 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out on pages 8 to 9.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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.

Independent Auditors' Report to the Shareholders of

Nicholas Haslam Limited (*continued*)

For the year ended 31st January 2003

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 2003 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Benjamin Taylor - C

Benjamin, Taylor & Co
Chartered Accountants
& Registered Auditors

5, Wigmore Street,
London W1U 1HY.

23rd January 2004

Nicholas Haslam Limited
Profit and Loss Account
For the year ended 31st January 2003

	Note	2003 £	2002 £
Turnover		1,117,574	1,310,525
Cost of sales		(632,058)	(876,947)
Gross Profit		<u>485,516</u>	<u>433,578</u>
Administrative expenses		(526,813)	(454,629)
Operating Loss	3	<u>(41,297)</u>	<u>(21,051)</u>
Interest receivable	5	4,293	10,066
Loss on Ordinary Activities Before Taxation		<u>(37,004)</u>	<u>(10,985)</u>
Tax on loss on ordinary activities	6	644	(644)
Loss for the Financial Year		<u>(36,360)</u>	<u>(11,629)</u>
Balance brought forward		351,062	362,691
Balance carried forward		<u>314,702</u>	<u>351,062</u>

The notes on pages 8 to 12 form part of these financial statements.

Nicholas Haslam Limited

Balance Sheet

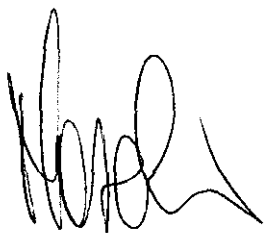
As at 31st January 2003

	Note	2003 £	£	2002 £	£
Fixed Assets					
Tangible assets	7		21,110		31,950
Current Assets					
Stocks		180,431		150,697	
Debtors	8	72,504		103,355	
Cash at bank		191,523		264,192	
		<u>444,458</u>		<u>518,244</u>	
Creditors: Amounts Falling due Within One Year	9	<u>150,766</u>		<u>199,032</u>	
Net Current Assets			293,692		319,212
Total Assets Less Current Liabilities			<u>314,802</u>		<u>351,162</u>
Capital and Reserves					
Called-up equity share capital	12		100		100
Profit and loss account			314,702		351,062
Shareholders' Funds			<u>314,802</u>		<u>351,162</u>

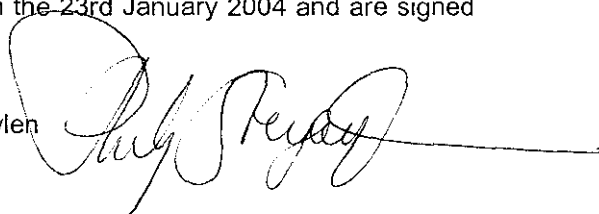
These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 23rd January 2004 and are signed on their behalf by:

P. Moschino



P. Vergeylen



The notes on pages 8 to 12 form part of these financial statements.

Nicholas Haslam Limited
Notes to the Financial Statements
For the year ended 31st January 2003

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures and Fittings	- 20% straight line
Motor Vehicles	- 20% straight line
Computer Equipment	- 33.33% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension Costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Nicholas Haslam Limited
Notes to the Financial Statements
For the year ended 31st January 2003

1. Accounting Policies *(continued)*

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

In the year to 31st January 2003, 17% of the company's turnover was derived from markets outside the United Kingdom (2002 - 14%).

3. Operating Loss

Operating loss is stated after charging:

	2003	2002
	£	£
Directors' emoluments	58,500	64,000
Staff pension contributions	15,300	15,600
Depreciation of owned fixed assets	10,840	11,295
Auditors' fees	<u>7,500</u>	<u>7,500</u>

4. Directors' Emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2003	2002
	£	£
Aggregate emoluments	58,500	64,000
Value of company pension contributions to money purchase schemes	<u>10,500</u>	<u>10,800</u>
	<u>£69,000</u>	<u>£74,800</u>

Nicholas Haslam Limited

Notes to the Financial Statements

For the year ended 31st January 2003

4. Directors' Emoluments (continued)

The number of directors who are accruing benefits under company pension schemes was as follows:

	2003	2002
	No	No
Money purchase schemes	<u>2</u>	<u>2</u>

5. Interest Receivable

	2003	2002
	£	£
Bank interest receivable	4,165	9,745
Other interest receivable	125	321
Interest received on corporation tax	3	—
	<u>£4,293</u>	<u>£10,066</u>

6. Tax on Loss on Ordinary Activities

	2003	2002
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 20% (2002 - 20%)	(558)	644
Over/under provision in prior year	(86)	—
Total current tax	<u>£(644)</u>	<u>£644</u>

7. Tangible Fixed Assets

	Computer Equipment	Motor Vehicles	Fixtures and Fittings	Total
	£	£	£	£
Cost				
At 1st February 2002 and 31st January 2003	<u>12,435</u>	<u>27,783</u>	<u>29,348</u>	<u>69,566</u>
Depreciation				
At 1st February 2002	8,970	7,248	21,398	37,616
Charge for the year	3,020	5,555	2,265	10,840
At 31st January 2003	<u>11,990</u>	<u>12,803</u>	<u>23,663</u>	<u>48,456</u>
Net Book Value				
At 31st January 2003	<u>445</u>	<u>14,980</u>	<u>5,685</u>	<u>21,110</u>
At 31st January 2002	<u>3,465</u>	<u>20,535</u>	<u>7,950</u>	<u>31,950</u>

Nicholas Haslam Limited
Notes to the Financial Statements
For the year ended 31st January 2003

8. Debtors

	2003	2002
	£	£
Trade debtors	18,971	50,499
Corporation tax repayable	558	—
Other debtors	37,119	36,958
Prepayments and accrued income	15,856	15,898
	<u>£72,504</u>	<u>£103,355</u>

Other debtors include rental deposits of £20,390 (2002: £20,229) which are repayable at the end of their leases.

9. Creditors: Amounts Falling due Within One Year

	2003		2002
	£	£	£
Bank loans and overdrafts		—	37,425
Trade creditors		101,488	127,891
Other creditors including taxation and social security:			
Corporation tax	—		644
PAYE and social security	4,605		4,266
VAT	13,093		4,363
Accruals and deferred income	31,580		24,443
		<u>£49,278</u>	<u>£33,716</u>
		<u>£150,766</u>	<u>£199,032</u>

10. Commitments under Operating Leases

At 31st January 2003 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2003	2002
	£	£
Operating leases which expire:		
Within 1 year	24,500	24,500
Within 2 to 5 years	—	32,000
After more than 5 years	32,000	—
	<u>£56,500</u>	<u>£56,500</u>

Nicholas Haslam Limited
Notes to the Financial Statements
For the year ended 31st January 2003

11. Related Party Transactions

During the year the company entered into transactions with N.P.H. Design Limited, a company in which Mr. Nicholas Haslam is also a director. Sales amounting to £56,545 (2002: £25,030) were made to N.P.H. Design Limited.

On 31st January 2003, a loan of £ 16,729 (2002: £16,729) was owed by N.P.H Design Limited to Nicholas Haslam Limited. This loan is interest free and repayable on demand.

The company was under the control of Mr. P. Moschino throughout the current and previous year. Mr. P. Moschino is the managing director and majority shareholder.

12. Share Capital

Authorised share capital:

	2003	2002
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2003		2002
	No	£	No
			£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>

13. Controlling Parties

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