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Nicholas Haslam Limited
Financial Statements
For the year ended 31st January 2005

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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
Accountants	Benjamin, Taylor & Co., Chartered Accountants 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 2005

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31st January 2005.

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 the shares of the company

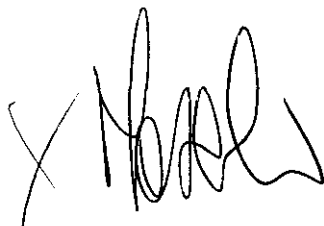
The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 January 2005	At 1 February 2004
P. Moschino	100	100
N. Haslam	—	—
P. Vergeylen	—	—

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 16th November 2005

Nicholas Haslam Limited
Profit and Loss Account
For the year ended 31st January 2005

	Note	2005 £	2004 £
Turnover		1,519,521	1,521,066
Cost of sales		(1,039,357)	(1,009,820)
Gross Profit		<u>480,164</u>	<u>511,246</u>
Administrative expenses		(467,557)	(463,509)
Operating Profit	3	<u>12,607</u>	<u>47,737</u>
Interest receivable	5	7,801	3,307
Profit on Ordinary Activities Before Taxation		<u>20,408</u>	<u>51,044</u>
Tax on profit on ordinary activities	6	(5,839)	(5,286)
Retained Profit for the Financial Year		<u>14,569</u>	<u>45,758</u>
Balance brought forward		<u>360,460</u>	<u>314,702</u>
Balance carried forward		<u><u>375,029</u></u>	<u><u>360,460</u></u>

The notes on pages 5 to 9 form part of these financial statements.

Nicholas Haslam Limited

Balance Sheet

As at 31st January 2005

	Note	2005 £	£	2004 £	£
Fixed Assets					
Tangible assets	7		44,665		60,390
Current Assets					
Stocks		257,822		244,867	
Debtors	8	70,191		311,078	
Cash at bank		178,072		264,958	
		<u>506,085</u>		<u>820,903</u>	
Creditors: Amounts Falling due Within One Year	9	<u>175,621</u>		<u>520,733</u>	
Net Current Assets			330,464		300,170
Total Assets Less Current Liabilities			<u>375,129</u>		<u>360,560</u>
Capital and Reserves					
Called-up equity share capital	12		100		100
Profit and loss account			375,029		360,460
Shareholders' Funds			<u>375,129</u>		<u>360,560</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the financial statements for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

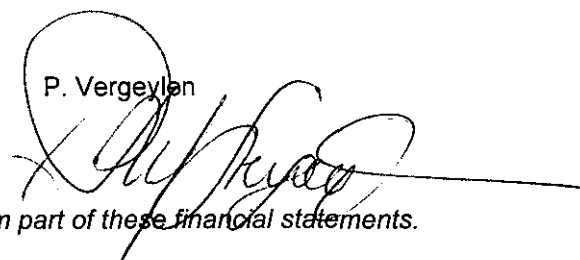
These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the directors on the 16th November 2005 and are signed on their behalf by:

P. Moschino



P. Vergeylen



The notes on pages 5 to 9 form part of these financial statements.

Nicholas Haslam Limited
Notes to the Financial Statements
For the year ended 31st January 2005

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 2005

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.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates 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.

2. Turnover

In the year to 31st January 2005, 15% of the company's turnover was derived from markets outside the United Kingdom (2004 - 44%).

3. Operating Profit

Operating profit is stated after charging/(crediting):

	2005	2004
	£	£
Staff pension contributions	4,800	4,800
Depreciation of owned fixed assets	17,405	13,946
Profit on disposal of fixed assets	—	(625)
Net profit on foreign currency translation	—	(30)
	<u> </u>	<u> </u>

Nicholas Haslam Limited
Notes to the Financial Statements
For the year ended 31st January 2005

4. Directors' Emoluments

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

	2005	2004
	£	£
Aggregate emoluments	30,000	31,000
Value of company pension contributions to money purchase schemes	7,200	7,200
	<u>£37,200</u>	<u>£38,200</u>

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

	2005	2004
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

5. Interest Receivable

	2005	2004
	£	£
Bank interest receivable	7,662	3,195
Other interest receivable	139	92
Interest received on corporation tax	—	20
	<u>£7,801</u>	<u>£3,307</u>

6. Taxation on Ordinary Activities

	2005	2004
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 19% (2004 - 19%)	5,839	5,286
Total current tax	<u>£5,839</u>	<u>£5,286</u>

Nicholas Haslam Limited
Notes to the Financial Statements
For the year ended 31st January 2005

7. Tangible Fixed Assets

	Computer Equipment £	Motor Vehicles £	Fixtures and Fittings £	Total £
Cost				
At 1st February 2004	14,536	70,500	29,348	114,384
Additions	871	—	809	1,680
At 31st January 2005	<u>15,407</u>	<u>70,500</u>	<u>30,157</u>	<u>116,064</u>
Depreciation				
At 1st February 2004	13,136	14,930	25,928	53,994
Charge for the year	986	14,100	2,319	17,405
At 31st January 2005	<u>14,122</u>	<u>29,030</u>	<u>28,247</u>	<u>71,399</u>
Net Book Value				
At 31st January 2005	<u>1,285</u>	<u>41,470</u>	<u>1,910</u>	<u>44,665</u>
At 31st January 2004	<u>1,400</u>	<u>55,570</u>	<u>3,420</u>	<u>60,390</u>

8. Debtors

	2005 £	2004 £
Trade debtors	19,845	238,101
VAT recoverable	—	30,059
Other debtors	26,720	26,581
Prepayments and accrued income	23,626	16,337
	<u>£70,191</u>	<u>£311,078</u>

Other debtors include a rental deposit of £9,991 (2004: £9,852) which is repayable at the end of the lease.

9. Creditors: Amounts Falling due Within One Year

	2005 £	2004 £
Bank loans and overdrafts	22,997	140,232
Trade creditors	83,696	361,781
Other creditors including taxation and social security:		
Corporation tax	11,125	4,708
PAYE and social security	4,969	—
VAT	37,522	—
Accruals and deferred income	<u>15,312</u>	<u>14,012</u>
	<u>£68,928</u>	<u>£18,720</u>
	<u>£175,621</u>	<u>£520,733</u>

Nicholas Haslam Limited
Notes to the Financial Statements
For the year ended 31st January 2005

10. Commitments under Operating Leases

At 31st January 2005 the company had aggregate annual commitments under non-cancellable operating leases as set out below.

	2005 £	2004 £
Operating leases which expire:		
Within 1 year	32,000	—
Within 2 to 5 years	—	32,000
After more than 5 years	72,500	27,500
	<u>£104,500</u>	<u>£59,500</u>

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 £6,086 (2004: £13,110) were made to N.P.H. Design Limited.

On 31st January 2005, a loan of £ 16,729 (2004: £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:

	2005 £	2004 £
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:

	2005 No	£	2004 No	£
Ordinary shares of £1 each	<u>100</u>	<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.