

PHOENIX FURNITURE (GLASGOW) LTD

Company Reg. No. SC080406

ABBREVIATED REPORT AND ACCOUNTS

FOR THE PERIOD ENDED 31ST MAY, 1995

MCCRORIE & CO
Chartered Accountants
Inchcape House
91 Alexander Street
AIRDRIE
ML6 0BD



SPECIAL AUDIT REPORT TO THE DIRECTORS OF
PHOENIX FURNITURE (GLASGOW) LTD
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8
TO THE COMPANIES ACT 1985, AS AMENDED

We have examined the abbreviated Balance Sheet and Notes on pages 3 to 6 together with the full financial statements of PHOENIX FURNITURE (GLASGOW) LTD for the period ended 31st May, 1995

The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 3 and that the Abbreviated Balance Sheet and Notes have been properly prepared from the full financial statements.

In our opinion, the company is entitled under sections 246 and 247 of the Companies Act 1985 as amended, to the exemptions conferred by part IIIA of schedule 8 to that act in respect of the period ended 31st May, 1995 and the Abbreviated Balance Sheet and Notes on pages 3 to 6 have been properly prepared in accordance with that schedule.

On the date shown below, as auditors of PHOENIX FURNITURE (GLASGOW) LTD we reported to the members on the accounts of the company prepared under section 226 of the Companies Act 1985 for the period ended 31st May, 1995 as follows:

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on these 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 judgments 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 the overall adequacy of the presentation of information in the financial statements.

PHOENIX FURNITURE (GLASGOW) LTDSPECIAL AUDIT REPORT TO THE DIRECTORS (cont)**Opinion****Fundamental uncertainty**

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the company's indebtedness to the Bank of Credit and Commerce International and the uncertainty regarding repayment thereof and the securing of replacement funding. Details of the circumstances involved are given in note 11. Our opinion is not qualified in this respect.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st May 1995, and of its results for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



McCrorie & Co
Chartered Accountants & Registered Auditors
Inchcape House
91 Alexander Street
Airdrie
ML6 0BD

Date *28th March 1996*

PHOENIX FURNITURE (GLASGOW) LTDABBREVIATED BALANCE SHEET AT 31ST MAY, 1995

	Note	1995	1994
		£	£
FIXED ASSETS			
Tangible Assets	2	161,917	173,285
CURRENT ASSETS			
Stocks		235,254	201,828
Debtors	3	50,354	6,417
Cash at bank		33,002	65,305
Cash in hand		2,911	22,308
		<u>321,521</u>	<u>295,858</u>
CREDITORS			
Amounts falling due within one year	4	<u>294,742</u>	<u>292,172</u>
NET CURRENT ASSETS		<u>26,779</u>	<u>3,686</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		188,696	176,971
CREDITORS			
Amounts falling due after more than one year	4	74,098	74,098
PROVISION FOR LIABILITIES AND CHARGES			
Deferred Taxation		<u>2,145</u>	<u>2,143</u>
NET ASSETS		<u>112,453</u>	<u>100,730</u>
CAPITAL & RESERVES			
Called up share capital	5	2	2
Reserves		<u>112,451</u>	<u>100,728</u>
SHAREHOLDERS' FUNDS - ALL EQUITY		<u>112,453</u>	<u>100,730</u>

In preparing these abbreviated accounts the directors have taken advantage of the exemptions conferred by Schedule 8 Part III A of the Companies Act 1985, and have done so on the grounds that, in their opinion, the company qualifies as a small company and is entitled to make use of the exemptions.

In preparing the accounts the directors have taken advantage of special exemptions applicable to small companies under Schedule 8 Part I of the Companies Act 1985, and have done so on the grounds that, in their opinion, the company qualifies as a small company and is entitled to make use of the special exemptions.

The abbreviated accounts were approved by the board on 28th March 1996 and signed on its behalf.



J AKHTAR
DIRECTOR

The notes on pages 4 to 6 form part of these abbreviated accounts.

PHOENIX FURNITURE (GLASGOW) LTD

NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS
FOR THE PERIOD ENDED 31ST MAY, 1995

1 ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year.

Basis of accounting

The accounts have been prepared in accordance with the historical cost convention and in accordance with section 228 of, and schedule 4 to, the Companies Act 1985.

Depreciation

Depreciation is provided on the cost or valuation of tangible fixed assets in order to write off such cost after taking account of estimated residual values over the expected useful lives as follows:-

Freehold Property	2%	On cost of building
Property Improvements	10%	On cost
Motor Vehicles	20%	On cost
Fixtures & Fittings	10%	On cost

Stocks

Stocks are valued at the lower of cost and net realisable value.

Deferred Taxation

Deferred taxation is provided on the liability method on all short term timing differences, except for those which are not expected to reverse in the future.

Assets under hire purchase contracts

Assets acquired under hire purchase contracts, which transfer to the hirer substantially all benefits and risks of ownership, and the capital element of the related hire purchase obligations are included in the Balance Sheet. The interest element of hire purchase obligations is charged against profit in proportion to the reducing capital element outstanding. The assets are depreciated over their estimated useful life.

PHOENIX FURNITURE (GLASGOW) LTD

NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE PERIOD ENDED 31ST MAY, 1995

2 TANGIBLE FIXED ASSETS

	Land & Buildings	Property Improvements	Motor Vehicles	Fixtures & Fittings	Total
	£	£	£	£	£
<u>Cost</u>					
At 1 March 1994	124,670	40,406	31,690	28,899	225,665
Additions	-	-	3,000	-	3,000
At 31 May 1995	<u>124,670</u>	<u>40,406</u>	<u>34,690</u>	<u>28,899</u>	<u>228,665</u>
<u>Depreciation</u>					
At 1 March 1994	6,234	15,984	21,410	8,753	52,381
Charge for the period	<u>1,558</u>	<u>5,052</u>	<u>4,147</u>	<u>3,610</u>	<u>14,367</u>
At 31 May 1995	<u>7,792</u>	<u>21,036</u>	<u>25,557</u>	<u>12,363</u>	<u>66,748</u>
<u>Net Book Amount</u>					
At 31 May 1995	<u>116,878</u>	<u>19,370</u>	<u>9,133</u>	<u>16,536</u>	<u>161,917</u>
At 1 March 1994	<u>118,436</u>	<u>24,422</u>	<u>10,280</u>	<u>20,146</u>	<u>173,284</u>

3 DEBTORS

The figure for debtors includes an amount of £39,003 (1994 = Nil) due by a director, Mr P Akhtar. The debt is interest free and has no fixed repayment terms. The maximum amount outstanding during the period was £39,003.

**4 CREDITORS: Amounts falling due after more than
one year**

	<u>1995</u>	<u>1994</u>
	£	£
Bank loan (secured)	<u>74,098</u>	<u>74,098</u>

The bank loan above and a secured overdraft of £72,013 (1994 = £72,013) included under Creditors falling due under one year are both with the Bank of Credit and Commerce International which entered liquidation on 5/7/91. No terms have yet been agreed with the liquidators as to a repayment schedule. Interest continues to accrue on the liabilities at 14% per annum. At the balance sheet date £108,872 (1994 = £68,334) of accrued bank overdraft and loan interest was also included under creditors falling due under one year. No arrangements have as yet been made to secure alternative funding.

PHOENIX FURNITURE (GLASGOW) LTDNOTES FORMING PART OF THE ABBREVIATED ACCOUNTS (CONTINUED)FOR THE PERIOD ENDED 31ST MAY, 1995**5 SHARE CAPITAL**

	<u>1995</u>	<u>1994</u>
	£	£
Authorised		
Ordinary Shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted and fully paid		
Ordinary Shares of £1 per share	<u>2</u>	<u>2</u>

6 APPROVAL OF ACCOUNTS

The full accounts and these abbreviated accounts were approved by the directors on 28th March 1996.

7 INFORMATION REGARDING DIRECTORS

Directors who served during the period, and their shareholdings were:

	<u>Interest in £1 ordinary shares</u> <u>at 31/05/95 and 28/02/94</u>	
P Akhtar	1	1
J Akhtar	1	1

8 REGISTRATION

The company is registered in Scotland, No. SC080406

The registered office of the company is :-

17 Torrisdale Street
GLASGOW