

PHOENIX FURNITURE (GLASGOW) LTD

Company Reg. No. SC080406

ABBREVIATED REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST MAY, 1997

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



AUDITORS REPORT TO PHOENIX FURNITURE (GLASGOW) LTD
UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 31st May, 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

McCrerie & Co

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Chartered Accountants and
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24/9/98

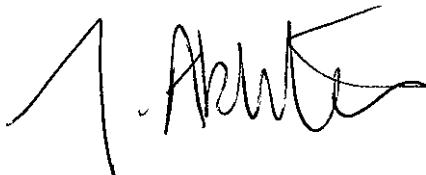
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PHOENIX FURNITURE (GLASGOW) LTDABBREVIATED BALANCE SHEET AS AT 31ST MAY, 1997

		1997	1996
	Note	£	£
FIXED ASSETS			
Tangible Assets	2	147,139	156,159
CURRENT ASSETS			
Stocks		239,284	212,827
Debtors	3	11,516	4,245
Cash at bank and in hand		<u>113,935</u>	<u>87,693</u>
		364,735	304,765
CREDITORS			
Amounts falling due within one year	4	<u>309,114</u>	<u>289,306</u>
NET CURRENT ASSETS		<u>55,621</u>	<u>15,459</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		202,760	171,618
CREDITORS			
Amounts falling due after more than one year	4	-	74,098
PROVISION FOR LIABILITIES AND CHARGES			
Deferred Taxation		<u>485</u>	<u>1,840</u>
NET ASSETS		<u>202,275</u>	<u>95,680</u>
CAPITAL & RESERVES			
Share capital	5	2	2
Reserves		<u>202,273</u>	<u>95,678</u>
SHAREHOLDERS' FUNDS		<u>202,275</u>	<u>95,680</u>

The financial statements which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies were approved by the board on 23 September, 1998 and signed on its behalf.

X
J Akhtar
Director



The notes on pages 3 to 5 form part of these financial statements.

PHOENIX FURNITURE (GLASGOW) LTDNOTES FORMING PART OF THE ABBREVIATED ACCOUNTSFOR THE YEAR ENDED 31ST MAY, 1997**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 include the results of the company's operations which are disclosed in the Directors' Report and all of which are continuing.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on the cost of tangible fixed assets in order to write off such cost after taking account of scrap 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 to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect that it is considered that a net liability may crystallise.

Operating Lease Income

Rentals applicable to operating lease incomes where substantially all of the benefits and risks of ownership remain with the lessee are credited to profit and loss account as incurred.

Pension Costs

The company operates a defined contributions pension scheme and the pension charge represents the amount payable by the company to the fund in respect of the year.

PHOENIX FURNITURE (GLASGOW) LTD

NOTES FORMING PART OF THE ABBREVIATED ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31ST MAY, 1997

2 FIXED ASSETS

	Tangible fixed assets £
<u>Cost:</u>	
At 1 June 1996	234,257
Additions	7,900
Disposals	<u>(7,000)</u>
At 31 May 1997	<u>235,157</u>
<u>Depreciation:</u>	
At 1 June 1996	78,098
Charge for the year	11,203
Relating to disposals	<u>(1,283)</u>
At 31 May 1997	<u>88,018</u>
<u>Net book value:</u>	
At 31 May 1997	<u>147,139</u>
At 1 June 1996	<u>156,159</u>

3 DEBTORS

Included under debtors are loans of £ 21,938 (1996 - £13,587) to P Akhtar and J Akhtar, directors. The maximum account outstanding during the year was £ 21,938 (1996 - £ 50,931).

4 CREDITORS:

Creditors includes the following:

	<u>1997</u> £	<u>1996</u> £
Secured creditors	<u>105,114</u>	<u>146,705</u>

5 SHARE CAPITAL

	<u>1997</u> £	<u>1996</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>

PHOENIX FURNITURE (GLASGOW) LTDNOTES FORMING PART OF THE ABBREVIATED ACCOUNTS (CONTINUED)FOR THE YEAR ENDED 31ST MAY, 1997**6 RELATED PARTY TRANSACTIONS**

During the year the company sold goods to the value of £1,456 to directors and £1,534 to close family members. These sales were transacted in the normal course of business and at normal commercial values.