

Abbreviated Financial Statements for the Year Ended 31 January 2000

for

D.M. Design Bedrooms Limited

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for the Year Ended 31 January 2000**

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D.M. Design Bedrooms Limited
Company Information
for the Year Ended 31 January 2000

DIRECTORS: Donald Macleod
Elizabeth Ann Macleod

SECRETARY: Elizabeth Ann Macleod

REGISTERED OFFICE: 1 Deerdykes Place
Westfield Industrial Area
Cumbemauid
Glasgow
G68 9HE

REGISTERED NUMBER: SC089983

AUDITORS: Scott Oswald
Chartered Accountants
Registered Auditors
41 St Vincent Place
Glasgow
G1 2ER

D.M. Design Bedrooms Limited
Report of the Directors
for the Year Ended 31 January 2000

The directors present their report with the financial statements of the company for the year ended 31 January 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of designers, manufacturers and installers of kitchen and bedroom furniture.

DIVIDENDS

Interim dividends per share were paid as follows:

£1.60	- 23 March 1999
£0.80	- 10 May 1999
£0.80	- 24 September 1999
£2.40	- 20 December 1999
£0.80	- 30 January 2000
£6.40	

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 January 2000 will be £64,000.

DIRECTORS

The directors during the year under review were:

Donald Macleod
Elizabeth Ann Macleod

The beneficial interests of the directors holding office on 31 January 2000 in the issued share capital of the company were as follows:

	31.1.00	1.2.99
Ordinary shares £1 shares		
Donald Macleod	5,000	5,000
Elizabeth Ann Macleod	5,000	5,000

STATEMENT OF 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 and of the profit or loss of the company for that period. 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;
- 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. 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.

AUDITORS

The auditors, Scott Oswald, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

ON BEHALF OF THE BOARD:



Elizabeth Ann Macleod - SECRETARY

Dated: 21 July 2000

D.M. Design Bedrooms Limited

**Report of the Auditors to
D.M. Design Bedrooms Limited
Under Section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements on pages four to fifteen, together with the full financial statements of the company for the year ended 31 January 2000 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages four to fifteen are properly prepared in accordance with that provision.



Scott Oswald
Chartered Accountants
Registered Auditors
41 St Vincent Place
Glasgow
G1 2ER

Dated: 21 July 2000

D.M. Design Bedrooms Limited

**Abbreviated Profit and Loss Account
for the Year Ended 31 January 2000**

		2000	1999
	Notes	£	£
GROSS PROFIT		1,282,384	1,309,020
Administrative expenses		1,006,129	1,329,030
OPERATING PROFIT/(LOSS)	3	276,255	(20,010)
Interest receivable and similar income		-	151
		276,255	(19,859)
Interest payable and similar charges	4	50,629	41,940
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		225,626	(61,799)
Tax on profit/(loss) on ordinary activities	5	56,128	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		169,498	(61,799)
Dividends	6	64,000	181,000
		105,498	(242,799)
Retained profit brought forward		37,063	279,862
RETAINED PROFIT CARRIED FORWARD		<u>£142,561</u>	<u>£37,063</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year and the loss for the previous year.

The notes form part of these financial statements

D.M. Design Bedrooms Limited

**Abbreviated Balance Sheet
31 January 2000**

		2000		1999	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	7		1,306,603		1,436,376
CURRENT ASSETS:					
Stocks	8	227,221		220,021	
Debtors	9	270,257		213,929	
Cash at bank and in hand		666		525	
		<u>498,144</u>		<u>434,475</u>	
CREDITORS: Amounts falling due within one year	10	<u>1,053,456</u>		<u>1,099,271</u>	
NET CURRENT LIABILITIES:			<u>(555,312)</u>		<u>(664,796)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			751,291		771,580
CREDITORS: Amounts falling due after more than one year	11		(172,014)		(296,127)
PROVISIONS FOR LIABILITIES AND CHARGES:	15		(46,725)		(46,725)
ACCRUALS AND DEFERRED INCOME:	16		-		(1,674)
			<u>£532,552</u>		<u>£427,054</u>
CAPITAL AND RESERVES:					
Called up share capital	17		10,000		10,000
Revaluation reserve	18		379,991		379,991
Profit and loss account			142,561		37,063
Shareholders' funds	19		<u>£532,552</u>		<u>£427,054</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:

Donald Macleod - DIRECTOR

Approved by the Board on 21 July 2000



The notes form part of these financial statements

D.M. Design Bedrooms Limited
Cash Flow Statement
for the Year Ended 31 January 2000

		<u>2000</u>		<u>1999</u>	
	Notes	£	£	£	£
Net cash inflow from operating activities	1		208,067		387,880
Returns on investments and servicing of finance	2		(50,629)		(41,789)
Taxation			22,465		(39,193)
Capital expenditure	2		(22,261)		(256,516)
Equity dividends paid			<u>(64,000)</u>		<u>(181,000)</u>
			93,642		(130,618)
Financing	2		<u>(59,655)</u>		<u>(50,573)</u>
Increase/(Decrease) in cash in the period			<u>£33,987</u>		<u>£(181,191)</u>

Reconciliation of net cash flow to movement in net debt

	3		
Increase/(Decrease) in cash in the period		33,987	(181,191)
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		<u>69,322</u>	<u>(99,760)</u>
Change in net debt resulting from cash flows		<u>103,309</u>	<u>(280,951)</u>
Movement in net debt in the period		103,309	(280,951)
Net debt at 1 February 1999		<u>(500,666)</u>	<u>(219,715)</u>
Net debt at 31 January 2000		<u>£(397,357)</u>	<u>£(500,666)</u>

The notes form part of these financial statements

D.M. Design Bedrooms Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 January 2000**

1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit/(loss)	276,255	(20,010)
Depreciation charges	158,984	147,655
Profit on sale of fixed assets	(6,949)	(10,501)
Government grants	(1,674)	(3,550)
Increase in stocks	(7,200)	(31,310)
(Increase)/Decrease in debtors	(74,795)	68,951
(Decrease)/Increase in creditors	<u>(136,554)</u>	<u>236,645</u>
Net cash inflow from operating activities	<u>208,067</u>	<u>387,880</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	-	151
Interest paid	<u>(50,629)</u>	<u>(41,940)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(50,629)</u>	<u>(41,789)</u>
Capital expenditure		
Purchase of tangible fixed assets	(42,561)	(267,017)
Sale of tangible fixed assets	<u>20,300</u>	<u>10,501</u>
Net cash outflow for capital expenditure	<u>(22,261)</u>	<u>(256,516)</u>
Financing		
Loan repayments in year	<u>(59,655)</u>	<u>(50,573)</u>
Net cash outflow from financing	<u>(59,655)</u>	<u>(50,573)</u>

The notes form part of these financial statements

D.M. Design Bedrooms Limited

**Notes to the Cash Flow Statement
for the Year Ended 31 January 2000**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.2.99 £	Cash flow £	At 31.1.00 £
Net cash:			
Cash at bank and in hand	525	141	666
Bank overdraft	(268,827)	33,846	(234,981)
	<u>(268,302)</u>	<u>33,987</u>	<u>(234,315)</u>
 Debt:			
Hire purchase or finance leases	(232,364)	69,322	(163,042)
	<u>(232,364)</u>	<u>69,322</u>	<u>(163,042)</u>
 Total	<u>(500,666)</u>	<u>103,309</u>	<u>(397,357)</u>
Analysed in Balance Sheet			
Cash at bank and in hand	525		666
Bank overdraft	(268,827)		(234,981)
Hire purchase or finance leases			
within one year	(92,919)		(77,634)
after one year	(139,445)		(85,408)
	<u>(500,666)</u>		<u>(397,357)</u>

The notes form part of these financial statements

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 January 2000**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Leasehold improvements	- 15% on cost
Heritable property	- not provided
Plant & Machinery	- 15% on cost
Fixtures & Fittings	- 15% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 25% on cost

No provision is made for depreciation of Heritable property as the directors are of the opinion that such provision would be inappropriate as the property is maintained in a good state of repair and has a value at least equal to the book value.

Stocks

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Deferred taxation

Deferred tax is provided using the liability method on all timing differences which are expected to reverse in the near future calculated at a rate which it is anticipated the timing difference will reverse after recognising relief on replacement assets.

Grants and contributions

Grants and contributions received in respect of non infrastructure assets are treated as deferred credits and are transferred to the profit and loss account in accordance with the asset lives of those assets.

Grants and contributions received relating to infrastructure assets have been deducted from the cost of the fixed assets. This is not in accordance with Schedule 4 to the Act, which requires assets to be shown at their purchase price or production cost and hence grants and contributions would be shown as deferred income. This departure from the requirements of the Act is, in the opinion of the Directors, necessary to give a true and fair view as no provision is made for depreciation and any grants and contributions relating to such assets would not be taken to the profit and loss account. The net effect of this departure is that the net book value of fixed assets is £107,315 lower than it would otherwise have been.

D.M. Design Bedrooms Limited

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 January 2000**

2. STAFF COSTS

	2000	1999
	£	£
Wages and salaries	873,688	758,876
Other pension costs	<u>29,800</u>	<u>29,260</u>
	<u>903,488</u>	<u>788,136</u>

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

	2000	1999
Administration	21	21
Sales & distribution	<u>111</u>	<u>118</u>
	<u>132</u>	<u>139</u>

3. OPERATING PROFIT/(LOSS)

The operating profit (1999 - operating loss) is stated after charging/(crediting):

	2000	1999
	£	£
Depreciation - owned assets	131,014	43,852
Depreciation - assets on hire purchase contracts or finance leases	27,972	103,804
Profit on disposal of fixed assets	(6,949)	(10,501)
Auditors' remuneration	<u>7,673</u>	<u>6,500</u>
Directors' emoluments	<u>41,658</u>	<u>29,938</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
Bank interest	13,635	5,473
Finance lease & H.P charges	14,706	13,197
Int on late paym't of corp tax	39	11
Bank loan interest	<u>22,249</u>	<u>23,259</u>
	<u>50,629</u>	<u>41,940</u>

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	2000	1999
	£	£
UK corporation tax	<u>56,128</u>	<u>-</u>

UK corporation tax arose on ordinary activities for the year ended 31 January 2000 charged at 21% and 20%, no tax arose for the year ended 31 January 1999.

6. DIVIDENDS

	2000	1999
	£	£
Equity shares:		
Interim dividends	<u>64,000</u>	<u>181,000</u>

D.M. Design Bedrooms Limited

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 January 2000**

7. TANGIBLE FIXED ASSETS

	<u>Leasehold improvements</u>	<u>Heritable property</u>	<u>Plant & Machinery</u>
	£	£	£
COST OR VALUATION:			
At 1 February 1999	18,410	978,313	356,930
Additions	-	2,095	158
At 31 January 2000	<u>18,410</u>	<u>980,408</u>	<u>357,088</u>
DEPRECIATION:			
At 1 February 1999	5,523	-	191,428
Charge for year	<u>2,761</u>	<u>-</u>	<u>45,721</u>
At 31 January 2000	<u>8,284</u>	<u>-</u>	<u>237,149</u>
NET BOOK VALUE:			
At 31 January 2000	<u>10,126</u>	<u>980,408</u>	<u>119,939</u>
At 31 January 1999	<u>12,888</u>	<u>978,313</u>	<u>165,502</u>

	<u>Fixtures & Fittings</u>	<u>Motor vehicles</u>	<u>Computer equipment</u>	<u>Totals</u>
	£	£	£	£
COST OR VALUATION:				
At 1 February 1999	244,130	392,119	63,803	2,053,705
Additions	2,628	14,000	23,680	42,561
Disposals	<u>(1,000)</u>	<u>(33,795)</u>	<u>(15,083)</u>	<u>(49,878)</u>
At 31 January 2000	<u>245,758</u>	<u>372,324</u>	<u>72,400</u>	<u>2,046,388</u>
DEPRECIATION:				
At 1 February 1999	177,043	201,696	41,638	617,328
Charge for year	25,408	70,567	14,529	158,986
Eliminated on disposals	<u>(150)</u>	<u>(21,296)</u>	<u>(15,083)</u>	<u>(36,529)</u>
At 31 January 2000	<u>202,301</u>	<u>250,967</u>	<u>41,084</u>	<u>739,785</u>
NET BOOK VALUE:				
At 31 January 2000	<u>43,457</u>	<u>121,357</u>	<u>31,316</u>	<u>1,306,603</u>
At 31 January 1999	<u>67,086</u>	<u>190,422</u>	<u>22,165</u>	<u>1,436,376</u>

Cost or valuation at 31 January 2000 is represented by:

	<u>Leasehold improvements</u>	<u>Heritable property</u>	<u>Plant & Machinery</u>
	£	£	£
Valuation in 1996	-	1,085,628	-
Cost	18,410		357,088
Government grant release		(107,315)	
Addition		<u>2,095</u>	
	<u>18,410</u>	<u>980,408</u>	<u>357,088</u>

D.M. Design Bedrooms Limited

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 January 2000**

7. TANGIBLE FIXED ASSETS - continued

	<u>Fixtures & Fittings</u>	<u>Motor vehicles</u>	<u>Computer equipment</u>	<u>Totals</u>
	£	£	£	£
Valuation in 1996	-	-	-	1,085,628
Cost	<u>245,758</u>	<u>372,324</u>	<u>72,400</u>	<u>960,760</u>
	<u>245,758</u>	<u>372,324</u>	<u>72,400</u>	<u>2,046,388</u>

If Buildings had not been revalued it would have been included at the following historical cost:

	2000 £	1999 £
Cost	<u>705,637</u>	<u>705,637</u>

Buildings were valued on an open market basis on 30 January 1996 by Sweeney Associates Chartered Surveyors.

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	<u>Plant & Machinery</u>	<u>Motor vehicles</u>	<u>Computer equipment</u>	<u>Totals</u>
	£	£	£	£
COST:				
At 1 February 1999	153,500	225,852	-	379,352
Additions	-	14,000	16,887	30,887
Transferred to ownership	<u>(31,500)</u>	<u>(77,552)</u>	<u>-</u>	<u>(109,052)</u>
At 31 January 2000	<u>122,000</u>	<u>162,300</u>	<u>16,887</u>	<u>301,187</u>
DEPRECIATION:				
At 1 February 1999	41,775	73,419	-	115,194
Charge for year	18,300	26,210	4,222	48,732
Transferred to ownership	<u>(14,175)</u>	<u>(47,915)</u>	<u>-</u>	<u>(62,090)</u>
At 31 January 2000	<u>45,900</u>	<u>51,714</u>	<u>4,222</u>	<u>101,836</u>
NET BOOK VALUE:				
At 31 January 2000	<u>76,100</u>	<u>110,586</u>	<u>12,665</u>	<u>199,351</u>
At 31 January 1999	<u>111,725</u>	<u>152,433</u>	<u>-</u>	<u>264,158</u>

8. STOCKS

	2000 £	1999 £
Raw Materials	137,145	125,291
Work in progress	2,846	7,500
Finished goods	<u>87,230</u>	<u>87,230</u>
	<u>227,221</u>	<u>220,021</u>

D.M. Design Bedrooms Limited

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 January 2000**

**9. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000 £	1999 £
V.A.T.	16,198	12,561
Trade debtors	105,188	52,808
Other debtors	24,177	7,197
Prepayments & accrued income	52,909	51,113
ACT recoverable	<u>71,785</u>	<u>90,250</u>
	<u>270,257</u>	<u>213,929</u>

**10. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000 £	1999 £
Bank loans and overdrafts (see note 12)	299,601	323,027
Trade creditors	160,006	285,895
Directors current accounts	7,878	7,878
Other loan	20,000	-
Finance lease & H.P. contracts	77,634	92,919
Other taxes & social security	109,658	74,226
Accruals	167,637	162,556
Sundry creditors	116,610	118,466
Corporation tax	78,932	22,804
ACT payable	<u>15,500</u>	<u>11,500</u>
	<u>1,053,456</u>	<u>1,099,271</u>

**11. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2000 £	1999 £
Bank loans (see note 12)	86,606	156,682
Finance lease & H.P. contracts	<u>85,408</u>	<u>139,445</u>
	<u>172,014</u>	<u>296,127</u>

12. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2000 £	1999 £
Amounts falling due within one year or on demand:		
Bank overdrafts	234,981	268,827
Bank loans	<u>64,620</u>	<u>54,200</u>
	<u>299,601</u>	<u>323,027</u>
Amounts falling due between one and two years:		
Bank loans	<u>64,620</u>	<u>54,200</u>
Amounts falling due between two and five years:		
Bank loans	<u>21,986</u>	<u>102,482</u>

D.M. Design Bedrooms Limited

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 January 2000**

13. OBLIGATIONS UNDER LEASING AGREEMENTS

The following payments are committed to be paid within one year:

	2000 £	Land and buildings operating leases 1999 £
Expiring: In more than five years	<u>20,000</u>	<u>40,000</u>

14. SECURED DEBTS

The following secured debts are included within creditors:

	2000 £	1999 £
Bank overdrafts	234,981	268,827
Bank loans	<u>151,226</u>	<u>210,882</u>
	<u>386,207</u>	<u>479,709</u>

The Clydesdale Bank PLC hold a bond and floating charge over the whole of the assets and undertakings of the company and a standard security over the company's Heritable property.

15. PROVISIONS FOR LIABILITIES AND CHARGES

	2000 £	1999 £
Warranty Provision	<u>46,725</u>	<u>46,725</u>

16. ACCRUALS AND DEFERRED INCOME

	2000 £	1999 £
Deferred government grants At 1 February 1999	1,674	5,224
Government Grant Released	<u>(1,674)</u>	<u>(3,550)</u>
	<u>-</u>	<u>1,674</u>

17. CALLED UP SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2000 £	1999 £
50,000	Ordinary shares	£1	<u>50,000</u>	<u>50,000</u>

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2000 £	1999 £
10,000	Ordinary shares	£1	<u>10,000</u>	<u>10,000</u>

18. REVALUATION RESERVE

	2000 £	1999 £
Revaluation Reserve	<u>379,991</u>	<u>379,991</u>

D.M. Design Bedrooms Limited

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 January 2000**

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
<i>Profit/(Loss) for the financial year</i>	169,498	(61,799)
<i>Dividends</i>	<u>(64,000)</u>	<u>(181,000)</u>
NET ADDITION/(REDUCTION) TO SHAREHOLDERS' FUNDS	105,498	(242,799)
<i>Opening shareholders' funds</i>	<u>427,054</u>	<u>669,853</u>
CLOSING SHAREHOLDERS' FUNDS	<u>532,552</u>	<u>427,054</u>
 <i>Equity interests</i>	 <u>532,552</u>	 <u>427,054</u>