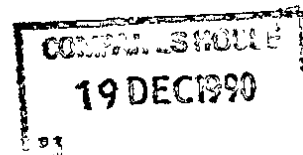


DUNELM SOFT-FURNISHINGS LIMITED

MODIFIED ACCOUNTS - 30TH JUNE 1990



DUNELM SOFT-FURNISHINGS LIMITED

INDEX TO THE MODIFIED ACCOUNTS

30TH JUNE 1990

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REPORT OF THE AUDITORS TO THE DIRECTORS

DUNELM SOFT-FURNISHINGS LIMITED

SPECIAL AUDIT REPORT IN COMPLIANCE WITH

THE COMPANIES ACT 1985

FOR THE YEAR ENDED 30TH JUNE 1990

1. The accounts set out on pages 2 to 4 have been prepared on the basis of the modifications available to small companies under Section 248 of the Companies Act 1985.
2. In our opinion the requirements for exemption as a small company are satisfied in relation to the attached modified accounts. We are not required to express an audit opinion on these modified accounts.
3. We reported, as auditors of Dunelm Soft-Furnishings Limited, to the members of the company on the full accounts (not appended hereto) for the year ended 30th June 1990 as follows :-

We have audited the financial statements on pages 4 to 11 in accordance with Auditing Standards.

As explained in notes 1(c) no provision has been made for the depreciation of freehold buildings. This is not in accordance with the requirements of Statement of Standard Accounting Practice Number 12 and of schedule 4 to the Companies Act 1985.

Except for the absence of the above provision in our opinion, the financial statements give a true and fair view of the state of the company's affairs at 30th June 1990 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


CLEAR & LANE
CHARTERED ACCOUNTANTS

340 Melton Road,
Leicester.
LE4 7SL

26th September 1990

DUNELM SOFT-FURNISHINGS LIMITEDBALANCE SHEET - 30TH JUNE 1990

	<u>Notes</u>	<u>£</u>	<u>1990</u>	<u>£</u>	<u>1989</u>	<u>£</u>
FIXED ASSETS						
Tangible assets			343,322			92,704
CURRENT ASSETS						
Stock		553,291		495,120		
Debtors		84,486		123,790		
Cash at bank and in hand		320,136		14,525		
		957,913		633,435		
CREDITORS						
Amounts falling due within one year	2	818,267		447,396		
NET CURRENT ASSETS			139,646			186,039
TOTAL ASSETS LESS CURRENT LIABILITIES			482,968			278,743
LESS: NON-CURRENT LIABILITIES						
CREDITORS						
Amounts falling due after more than one year	2	144,899				-
			338,069			278,743
CAPITAL AND RESERVES						
Called up share capital	3	100		100		
Profit and loss account		337,969		278,643		
			338,069			278,743

In preparing these modified accounts, we have relied upon the exemptions for individual accounts contained in the Companies Act 1985. We have done so on the basis that the company is entitled to the benefit of these exemptions as a small company.

These accounts were approved by the board on 26th September 1990.

W. Adderley

J. Adderley

Directors

The notes on pages 3 and 4 form part of these accounts.

Auditors' report page i.

DUNELM SOFT-FURNISHINGS LIMITEDNOTES TO THE MODIFIED ACCOUNTS - 30TH JUNE 19901. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

(a) Basis of accounting

The accounts are prepared in accordance with the historical cost convention.

(b) Turnover

Turnover represents the sale of goods and services excluding value added tax.

(c) Depreciation of tangible fixed assets

Depreciation is calculated to write off fixed assets by fixed annual instalments over their estimated useful lives on the following bases :-

Fixtures and fittings	-	25%
Motor vehicles	-	25%

The company's freehold property is not depreciated

(d) Stock

Stock is valued at the lower of cost and net realisable value on a basis consistent with the previous year. Provision has been made, where necessary, for obsolescent, slow moving and defective stock.

(e) Deferred taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences to the extent that liabilities will crystallise in the foreseeable future, less losses carried forward.

DUNELM SOFT-FURNISHINGS LIMITEDNOTES TO THE MODIFIED ACCOUNTS - 30TH JUNE 19902. CREDITORS

	<u>1990</u> <u>£</u>	<u>1989</u> <u>£</u>
Included within creditors are the following secured liabilities:		
Amounts falling due within one year:		
Bank loan	<u>21,428</u>	<u>-</u>
Amounts falling due after more than one year:		
Bank loan	<u>123,471</u>	<u>-</u>

The bank loan is secured by a fixed charge over the company's freehold property.

3. SHARE CAPITAL

	<u>Authorised</u>		<u>Issued and fully paid</u>	
	<u>1990</u> <u>£</u>	<u>1989</u> <u>£</u>	<u>1990</u> <u>£</u>	<u>1989</u> <u>£</u>
Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>	<u>100</u>	<u>100</u>