

FAHSTONE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

Company Number 2793501 (England and Wales)



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FAHSTONE LIMITED
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1992

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**The following page does not form part of the
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FAHSTONE LIMITED
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 1999

The Directors present their annual report with the accounts of the Company for the year ended 31 March 1999.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires 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 a 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.

PRINCIPAL ACTIVITY

The principal activities of the Company in the period under review was the manufacture and sale of fitted furniture, and the management of an import and export business.

REVIEW OF BUSINESS

A summary of the results for the Period is given on page 3 of the accounts.

The directors consider the state of affairs to be satisfactory.

DIVIDENDS

The directors do not recommend a dividend, which leaves a profit of £6,204 to be added to retained earnings.

DIRECTORS

The Directors in office in the period and their beneficial interests in the Company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	1999	1998
Mr. W. Aldersley	2	2
Mrs. C. Aldersley	-	-

SMALL COMPANY

This report has been prepared taking advantage of the exemptions conferred by Part 2 of Schedule 8 of the Companies Act 1985, on the grounds that in the opinion of the directors the company is entitled to these exemptions as a small company.

Signed on behalf of the Board of Directors



W. Aldersley
Secretary

FAHSTONE LIMITED

Auditors' Report to the Shareholders of Fahstone Limited

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and accounting policies set out on page 5.

Respective responsibilities of directors and reporting accountants

As described on page 1 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 those statements and to report our opinion to you.

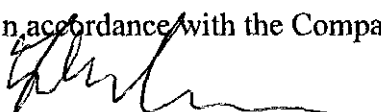
Basis of opinion

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 judgements 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 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 overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



John P. Murtagh & Co.,
Certified Accountants & Registered Auditors,
Baranald Cottage,
Oldwich Lane East,
Fen End,
Nr. Kenilworth,
Warwickshire.
CV8 1NR
3 August 1999.

FAHSTONE LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 1999

	<u>Notes</u>	<u>1999</u> £	<u>1998</u> £
TURNOVER	1.2	464,374	437,393
Cost of Sales		(279,963)	(275,685)
		-----	-----
GROSS PROFIT		166,411	161,708
Administration Expenses		(149,831)	(158,433)
		-----	-----
OPERATING PROFIT	2	16,580	3,275
Rent received		-	4,833
		-----	-----
		16,580	8,108
Interest payable		(12)	(410)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		16,568	7,698
Tax on Ordinary Activities	3	(3,200)	(1,494)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		13,368	6,204
		=====	=====
<u>STATEMENT OF RETAINED EARNINGS</u>			
Retained Profit brought forward		29,741	23,537
Retained Profit for the year		13,368	6,204
		-----	-----
RETAINED PROFIT CARRIED FORWARD		43,109	29,741
		=====	=====

STATEMENT OF RECOGNISED GAINS AND LOSSES

The only gains and losses arising during the year are those identified in the above profit and loss account.

FAHSTONE LIMITED

BALANCE SHEET AS AT 31 MARCH 1999

	Notes	<u>1999</u>	<u>1998</u>
		£	£
Fixed assets			
Tangible assets	4	20,429	18,759
Current assets			
Stocks and work in progress	12,200	24,500	
Debtors	5 36,317	30,146	
Cash at bank and in hand	9,982	7,590	
		<u>58,499</u>	<u>62,236</u>
Creditors: amounts falling due within one year	6 35,817	(51,252)	
Net current assets		<u>22,682</u>	<u>10,984</u>
Total assets less current liabilities		<u>43,111</u>	<u>29,743</u>
Capital and reserves			
Share capital	7 2	2	2
Profit and loss account	43,109	29,741	
Shareholders Funds	8 43,111	<u>43,111</u>	<u>29,743</u>

The Financial Statements were approved by the Board on 3 July 1999 and signed on its behalf.

W. Aldersley
Director



The notes on pages 5 to 8 form part of these accounts.

FAHSTONE LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1999

1. ACCOUNTING POLICIES

1.1 Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards and under the historical accounting convention.

1.2 Turnover

Turnover

represents the net invoiced sale of goods, excluding V.A.T.

1.3 Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant and Equipment 15% on cost

1.4 Cash Flow Statement

The company has taken advantage of the exemption provided by Financial Reporting Standard No. 1 and has not prepared a Cash Flow Statement for the Period.

2. OPERATING PROFIT

The Operating Profit/(Loss) is stated after charging:

	<u>1999</u>	<u>1998</u>
	£	£
Amount written off Tangible Fixed Assets	3,604	4,798
Audit Fee	<u>3,050</u>	<u>2,420</u>

FAHSTONE LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1999

3. TAXATION

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

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Adjusted for last year	(30)	(179)
Corporation Tax	3,230	1,673
	<u>3,200</u>	<u>1,494</u>

Corporation tax has been calculated on the profit at 21% (1998 21%).

4. TANGIBLE FIXED ASSETS

	Plant & Equipment	Fixtures & Fittings	TOTAL
	<u>£</u>	<u>£</u>	<u>£</u>
COST OR VALUATION			
At 1 April 1998	28,703	3,287	31,990
Additions	3,875	1,399	5,274
At 31 March 1999	<u>32,578</u>	<u>4,686</u>	<u>37,264</u>
DEPRECIATION			
At 1 April 1998	12,041	1,190	13,231
Charge for the Period	3,080	524	3,604
At 31 March 1999	<u>15,121</u>	<u>1,714</u>	<u>16,835</u>
NET BOOK VALUE			
At 31 March 1999	<u>17,457</u>	<u>2,972</u>	<u>20,429</u>
At 31 March 1998	<u>16,662</u>	<u>2,097</u>	<u>18,759</u>

FAHSTONE LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1999

5. DEBTORS	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Amounts due within one year:		
Trade debtors	27,217	28,569
Other debtors	3,500	1,577
Director's Loan Account	5,600	-
	-----	-----
	36,317	30,146
	=====	=====
6. CREDITORS		
Amounts falling due within one year:	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Trade creditors	23,206	47,089
Corporation tax	3,230	1,673
Social Security and other taxes	3,641	-
Directors loan account	3,140	140
Accruals	2,600	2,350
	-----	-----
	35,817	51,252
	=====	=====
7. SHARE CAPITAL	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
Authorised	100	100
	=====	=====
Allotted, Issued and Fully Paid	2	2
	=====	=====
8. SHAREHOLDERS FUNDS		
Brought forward	29,743	23,539
Retained Profit	13,368	6,204
	-----	-----
Carried forward at 31 March 1999	43,111	29,743
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FAHSTONE LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 1999

	<u>1999</u>	<u>1998</u>
	<u>£</u>	<u>£</u>
9. INCOME FROM INVESTMENTS		
Income from investments		
Bank interest received	-	-
Other interest	-	-
	<u>-----</u>	<u>-----</u>
	<u> -</u>	<u> -</u>
	<u>=====</u>	<u>=====</u>