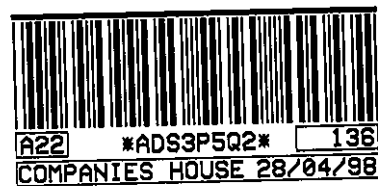


High Seat Limited

Abbreviated accounts

30 June 1997

Registered number 916661



Abbreviated accounts

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 1997.

Principal activity

The principal activity of the company is the retailing of chairs.

Business review

The company's trading performance is set out in the profit and loss account on page 5.

Proposed dividend and transfer to reserves

The directors do not recommend the payment of a dividend. The amount proposed to be transferred to reserves is £99,386 (1996: £57,901).

Directors and directors' interests

The directors during the year and their beneficial interests in the issued share capital were:

	Ordinary shares of £1 each	
	1997	1996
JW Burrows	4,500	4,500
P Burrows	4,500	4,500

Taxation

As far as the directors are aware, the company is a close company under the provisions of the Income and Corporation Taxes Act 1988.

Political and charitable contributions

The company made no political contributions during the accounting period. Donations to UK charities amount to £1,998 (1996: £1,582).

Directors' report

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



P Burrows
Secretary

3 Victoria Road
Dewsbury
WF13 2AB

10 February 1998

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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



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Neville Street
Leeds
LS1 4DW

Report of the auditors to the members of High Seat Limited pursuant to section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 5 to 14 together with the financial statements of Nightingale Furniture Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 June 1997.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the statement on page 5 and whether the abbreviated accounts have properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from the financial statements.

The scope of our work for the purpose of this report does 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 accounts prepared in accordance with 246A (3) of the Companies Act 1985 and the abbreviated accounts have been properly prepared in accordance with those provisions.

KPMG .

KPMG
Chartered Accountants
Registered Auditors

10 February 1998

Profit and loss account
for the year ended 30 June 1997

	<i>Note</i>	Continuing operations			
		Year ended 30 June 1997		14 months ended 30 June 1996	
		£	£	£	£
Gross profit			974,480		853,576
Staff costs	2	462,889		349,863	
Depreciation		80,891		79,521	
Other operating charges		350,754		355,416	
Other operating income		(21,667)		-	
			(872,867)		(784,800)
Operating profit	3		101,613		68,776
Interest receivable	5		26,732		61,705
Interest payable	6		-		(5,852)
Profit on ordinary activities before taxation			128,345		124,629
Tax on profit on ordinary activities	7		(28,959)		(66,728)
Profit on ordinary activities after taxation			99,386		57,901
Retained profit brought forward			802,510		744,609
Retained profit carried forward			901,896		802,510

The company has no gains or losses other than those recognised through the profit and loss account for the accounting period.


Balance sheet


as at 30 June 1997

	Note	1997	1996
		£	£
Fixed assets			
Tangible assets	8	685,328	559,338
Current assets			
Stocks	9	162,327	87,909
Debtors	10	355,614	407,608
Cash at bank and in hand		757,146	630,463
		<u>1,275,087</u>	<u>1,125,980</u>
Creditors: amounts falling due within one year	11	<u>(1,048,519)</u>	<u>(872,808)</u>
Net current assets		<u>226,568</u>	<u>253,172</u>
Total assets less current liabilities		<u>911,896</u>	<u>812,510</u>
Capital and reserves			
Called up share capital	12	10,000	10,000
Profit and loss account		901,896	802,510
Shareholders' funds	13	<u>911,896</u>	<u>812,510</u>

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

These financial statements were approved by the board of directors on 10 February 1998 and were signed on its behalf by:


JW Burrows


P Burrows

P Burrows

Directors

Cash flow statement
for the year ended 30 June 1997

	Notes	1997 £	1996 £
Net cash inflow/(outflow) from operating activities	1	345,534	(406,940)
Returns on investment and servicing of finance	2	26,732	55,853
Taxation		(64,639)	(13,926)
Capital expenditure	2	(180,944)	(120,297)
Net cash inflow/(outflow) for the period		<u>126,683</u>	<u>(485,310)</u>

Reconciliation of movement in net funds
for the year ended 30 June 1997

	1997 £	1996 £
Net funds at beginning of period	630,463	1,115,773
Net cash inflow/(outflow) for period	<u>126,683</u>	<u>(485,310)</u>
Net funds at end of period	<u>757,146</u>	<u>630,463</u>

Notes to the cash flow statement

for the year ended 30 June 1997

1 Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

	1997 £	1996 £
Operating profit	101,613	68,776
Depreciation charge	80,891	79,521
Profit on sale of tangible fixed assets	(25,937)	(865)
Increase in stocks	(74,418)	(46,644)
Decrease/(increase) in debtors	51,994	(322,154)
(Decrease)/increase in creditors	211,391	(185,574)
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	345,534	(406,940)
	<hr/> <hr/>	<hr/> <hr/>

2 Gross cash flows

	1997 £	1996 £
Returns on investments and servicing of finance		
Interest receivable	26,732	61,705
Interest payable	-	(5,852)
	<hr/>	<hr/>
	26,732	55,853
	<hr/> <hr/>	<hr/> <hr/>
Capital expenditure		
Purchases of tangible fixed assets	530,124	137,281
Proceeds from sales of tangible fixed assets	(349,180)	(16,984)
	<hr/>	<hr/>
	180,944	120,297
	<hr/> <hr/>	<hr/> <hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

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

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Freehold land	-	Nil
Freehold property	-	4% straight line
Plant and equipment	-	25% reducing balance
Motor vehicles	-	25% reducing balance

Stocks

Stocks are stated at the lower of cost and net realisable value. In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

Pension scheme

The company operates a defined contribution pension scheme for senior staff. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged against profits represents the contribution payable to the scheme in respect of the account period.

Notes (continued)

2 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	1997	14 month period ended 30 June 1996
Office and management	25	20

The aggregate payroll costs of these persons were as follows:

	1997	14 month period ended 30 June 1996
	£	£
Wages and salaries	424,688	319,180
Social security costs	30,902	29,422
Other pension costs	7,299	1,261
	<u>462,889</u>	<u>349,863</u>

3 Operating profit

	1997	14 month period ended 30 June 1996
	£	£
<i>Operating profit is stated after charging the following:</i>		
Directors' emoluments	135,476	227,540
Auditors' remuneration	3,000	2,250

4 Emoluments of directors

Excluding pension contributions, the emoluments of the highest paid director were £23,912 (1996: £53,366).

Pension contributions of the highest paid director were £3,920 (1996: £nil). During the year there were two directors in the scheme.

Notes (continued)

5 Interest receivable

	1997	14 month period ended 30 June 1996
	£	£
Bank interest receivable	26,732	61,705
	<u>26,732</u>	<u>61,705</u>

6 Interest payable

	1997	14 month period ended 30 June 1996
	£	£
Interest on directors loan accounts	-	5,852
	<u>-</u>	<u>5,852</u>

7 Tax on profit on ordinary activities

	1997	14 month period ended 30 June 1996
	£	£
Corporation tax		
Current period at 25% (1996: 33%)	31,820	67,500
Previous years	(2,861)	(772)
	<u>28,959</u>	<u>66,728</u>

Notes (continued)

8 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost				
At 1 July 1996	460,609	84,542	251,221	796,372
Additions	354,275	37,917	137,932	530,124
Disposals	(160,000)	-	(278,473)	(438,473)
At 30 June 1997	654,884	122,459	110,680	888,023
Depreciation				
At 1 July 1996	66,184	56,882	113,968	237,034
Charge in accounting period	24,128	16,395	40,368	80,891
Disposals	-	-	(115,230)	(115,230)
At 30 June 1997	90,312	73,277	39,106	202,695
Net book value				
At 30 June 1997	564,572	49,182	71,574	685,328
At 30 June 1996	394,425	27,660	137,253	559,338

Freehold land included at cost not being subject to depreciation amounts to £51,705 (1996: £211,705),

9 Stocks

	1997 £	1996 £
Finished goods	162,327	87,909

10 Debtors

	1997 £	1996 £
Trade debtors	19,837	37,803
Amounts owed by connected companies	311,197	307,470
Other debtors	20,000	325
Prepayments	4,580	62,010
	355,614	407,608

Notes (continued)

11 Creditors: amounts falling due within one year

	1997 £	1996 £
Trade creditors	251,006	83,665
Payments on account	605,374	445,829
Corporation tax	31,820	67,500
Amounts owed to connected companies	91,285	254,550
Other taxes and social security	51,861	9,373
Other creditors	158	3,603
Accruals	17,015	8,288
	<hr/> 1,048,519 <hr/>	<hr/> 872,808 <hr/>

12 Share capital

	1997 £	1996 £
Authorised, allotted, called up and fully paid: 10,000 ordinary shares of £1 each	<hr/> 10,000 <hr/>	<hr/> 10,000 <hr/>

13 Reconciliation of movements in shareholders' funds

	1997 £	1996 £
Profit for the financial period	99,386	57,901
Opening shareholders' funds	812,510	754,609
	<hr/>	<hr/>
Closing shareholders' funds	911,896	812,510
	<hr/>	<hr/>

Notes (continued)

14 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings £
Operating leases which expire:	
Over five years	12,500
	<hr/>

15 Pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the fund and amounted to £1,647 (1996: £1,261).

There were no outstanding or prepaid contributions at the beginning or end of the financial accounting period.

16 Related party disclosures

During the year the company traded with Jay-be Limited and Nightingale Furniture Limited, companies connected by common ownership as at the beginning of the year.

During the year the company purchased goods amounting to £263,286 (1996: £98,159) from Jay-be Limited and £1,780,128 (1996: £1,753,084) from Nightingale Furniture Limited.

On 23 May 1997, JW Burrows purchased 3,000,000 French Francs from the company at a cost of £320,787. This cost represents the cost paid by the company when it purchased the currency on 30 April 1997.