

FURNISHING OPTIONS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 1994

Company registration number - 01384471



DRURY & CO

Certified Accountants
Registered Auditors

**AUDITORS' REPORT TO THE DIRECTORS OF
FURNISHING OPTIONS LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 3 to 7 together with the financial statements of the company for the year ended 31 August 1994. The scope of our work for the purpose of this report was limited to confirming that the directors are entitled to the exemptions claimed in the directors' statement on page 3 and that the abbreviated accounts have been properly prepared from the financial statements.

In our opinion the directors are entitled under sections 246-247 of the Companies Act 1985 to the exemptions conferred by section A of Part III of Schedule 8 to the Act in respect of the year ended 31 August 1994, and the abbreviated accounts on pages 3 to 7 have been properly prepared in accordance with that Schedule.

On 1 November 1994 we reported, as auditors of the company, to the shareholders on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 August 1994 and our audit report was as follows:

We report on the financial statements on pages 6 to 15. The financial statements provide information about past financial performance of the company and its financial position as at 31 August 1994, stated in accordance with the accounting policies set out on page 8.

DIRECTORS' RESPONSIBILITIES

As described on page 2 the company's directors are responsible for the preparation of financial statements which present a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss, total recognised gains or losses and cash flows of the company for that period.

AUDITORS' RESPONSIBILITIES

It is our responsibility to form an independent opinion on the financial statements presented by the directors based on our audit and to report our opinion to you. The Companies Act 1985 also requires us to report to you if the following requirements are not met:

- * That the company has maintained proper accounting records
- * That the financial statements are in agreement with the accounting records
- * That directors' emoluments and other transactions with directors are properly disclosed in the financial statements
- * That we have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

Our opinion does not encompass the directors' report on pages 2 to 3. However, the Companies Act 1985 requires us to report to you if the matters contained in the directors' report are inconsistent with the financial statements.

**AUDITORS' REPORT TO THE DIRECTORS OF
FURNISHING OPTIONS LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

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 in order to provide us with sufficient, reliable and relevant evidence to give reasonable assurance that the financial statements are free from material mis-statements whether caused by error, fraud, or other irregularity. 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 at 31 August 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Our audit opinion was completed on 1 November 1994 and our opinion is expressed as at that date.

Drury & Co

DRURY & CO

**Certified Accountants
Registered Auditors**

**21 Hollowgate
Rotherham**

FURNISHING OPTIONS LIMITED

ABBREVIATED BALANCE SHEET

31 AUGUST 1994

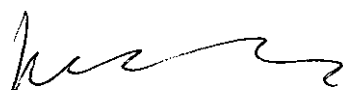
		1994		1993	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	2		428,657		432,373
Investments			320		320
CURRENT ASSETS					
Stocks		97,420		81,366	
Debtors		101,458		61,839	
Cash at bank and in hand		56,049		62,759	
		<u>254,927</u>		<u>205,964</u>	
CREDITORS					
Amounts falling due within one year	3	<u>157,672</u>		<u>147,132</u>	
NET CURRENT ASSETS			<u>97,255</u>		<u>58,832</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>526,232</u>		<u>491,525</u>
CREDITORS					
Amounts falling due after more than one year	3	171,475		184,489	
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation		1,897		1,583	
ACCRUALS AND DEFERRED INCOME		<u>-</u>		<u>12,500</u>	
			<u>173,372</u>		<u>198,572</u>
			<u>352,860</u>		<u>292,953</u>
CAPITAL AND RESERVES					
Called up share capital	4		20,000		20,000
Profit and loss account			332,860		272,953
			<u>352,860</u>		<u>292,953</u>

We have relied on Section 233 of the Companies Act 1985 as entitling us to deliver abbreviated accounts on the grounds that the company is entitled to benefit from the exemptions conferred by section A of Part III to Schedule 8 to the Companies Act 1985.

Approved by the board on 1 November 1994

D HOWDLE

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) Director
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FURNISHING OPTIONS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 AUGUST 1994****1. ACCOUNTING POLICIES**

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

Basis of accounting

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

Intangible fixed assets

Purchased goodwill has been fully amortised.

Depreciation

Freehold land is not depreciated. Other tangible fixed assets are written off over their estimated useful lives on a reducing balance basis at the following annual rates:

Freehold buildings	- 3%
Plant and machinery	- 15%
Fixtures and equipment	- 15%
Motor vehicles	- 25%

Government grants in respect of capital expenditure are treated as deferred credits, a proportion of which is transferred to revenue annually over the estimated life of the asset.

Turnover

Turnover represents invoiced sales less allowances, trade discounts and value added tax.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Investment income

Dividends received are accounted for on the basis of cash received plus the attributable tax credit.

FURNISHING OPTIONS LIMITED**NOTES TO THE ABBREVIATED ACCOUNTS****YEAR ENDED 31 AUGUST 1994****ACCOUNTING POLICIES (continued)****Finance and operating leases**

Assets acquired under finance leases are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals under such leases and contracts is included in creditors. Payments in respect of the finance charge element of the leases and contracts are charged to the profit and loss account so as fairly to apportion the charge over the duration of the leases and contracts.

Leasing charges in respect of operating leases are recognised in the profit and loss account in the year in which they are incurred.

Deferred taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will become payable in the foreseeable future.

Research and development expenditure

Expenditure on research and development is charged in the profit and loss account in the year in which it is incurred.

Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement on the grounds that it is a small company.

FURNISHING OPTIONS LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
YEAR ENDED 31 AUGUST 1994

2. TANGIBLE FIXED ASSETS

Cost	£
At 1 September 1993	561,270
Additions	22,801
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At 31 August 1994	584,071
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Depreciation	
At 1 September 1993	128,896
Charge	26,518
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At 31 August 1994	155,414
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Net book amounts	
At 31 August 1994	428,657
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At 31 August 1993	432,374
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FURNISHING OPTIONS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

YEAR ENDED 31 AUGUST 1994

	1994	1993
	<u>£</u>	<u>£</u>
3. CREDITORS		
Included in creditors are the following:		
Obligations under finance leases and hire purchase liabilities		
Due within one year	2,950	—
Due after more than one year	1,475	—
Bank loan		
Due within one year	13,247	11,350
Due after more than one year	—	14,489
Bank overdraft	18,229	23,645
	<u>18,229</u>	<u>23,645</u>

Finance leases and hire purchase contracts are secured by charges on on the relevant assets.

The loan from Investors in Industry plc is secured by a first fixed and floating charge over all the assets of the company. The bank loan is secured by a second fixed and floating charge on all the assets of the company.

4. CALLED UP SHARE CAPITAL

There was no change in share capital during the year.

	Authorised	Allotted and fully paid
	<u>£</u>	<u>£</u>
Ordinary shares of £1 each	100,000	20,000
	<u>100,000</u>	<u>20,000</u>