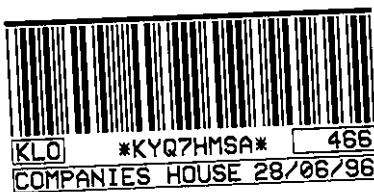


Selected Rug & Matting Limited
Abbreviated Financial Statements
for the year ended 31st December 1995

Jeffreys Henry
Finsgate
5-7 Cranwood Street
London
EC1V 9EE



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Selected Rug & Matting Limited

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Selected Rug & Matting Limited

Auditors' Report to Selected Rug & Matting Limited Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated financial statements on pages 3 to 5 together with the financial statements of Selected Rug & Matting Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st December 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 directors' statement on page 3 and whether the abbreviated financial statements have been 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 financial statements have been properly prepared from those 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 under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31st December 1995, and the abbreviated financial statements on pages 3 to 5 have been properly prepared in accordance with that Schedule.

Other information

On 25 June 1996 we reported, as auditors of Selected Rug & Matting Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st December 1995, and our audit report was as follows:

'We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 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.

Selected Rug & Matting Limited

Auditors' Report to Selected Rug & Matting Limited
Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985 (continued)

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 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 31st December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'


.....
JEFFREYS HENRY

Chartered Accountants
Registered Auditor

Date:.....25.6.96.....

Finsgate
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Selected Rug & Matting Limited

**Abbreviated Balance Sheet
as at 31st December 1995**

	Notes	1995		1994	
		£	£	£	£
Fixed Assets					
Tangible assets	7		42,043		46,667
Current Assets					
Stock	8	365,698		427,494	
Debtors	9	651,502		711,377	
		<u>1,017,200</u>		<u>1,138,871</u>	
Creditors: amounts falling due within one year	10	<u>(463,098)</u>		<u>(582,294)</u>	
Net Current Assets			<u>554,102</u>		<u>556,577</u>
Total Assets Less Current Liabilities			<u>£ 596,145</u>		<u>£ 603,244</u>
Capital and Reserves					
Called up share capital	12		10,000		10,000
Profit and loss account	13		586,145		593,244
Shareholders' Funds	14		<u>£ 596,145</u>		<u>£ 603,244</u>

In preparing these abbreviated financial statements:

- (a) Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985, and
- (b) In the directors' opinion the company is entitled to these exemptions as a small company.

The financial statements were approved by the Board on 25.6. 1996.
and signed on its behalf by:

.....
Director

E. Eisenberg
.....
Director

Selected Rug & Matting Limited

Notes to the Abbreviated Accounts for the year ended 31st December 1995

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the directors' report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents the invoiced amounts for goods and services provided net of value added tax.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life and on the basis stated, as follows:

Plant and machinery	-	20% on Reducing balance
Fixtures, fittings and equipment	-	20% on Reducing balance
Motor vehicles	-	25% on Reducing balance

1.4 Stock

Stock is valued at the lower of cost and net realisable value.

1.5 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.6 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Selected Rug & Matting Limited

**Notes to the Abbreviated Accounts
for the year ended 31st December 1995**

6. Taxation

	£	£
Prior years		
U.K. Corporation tax	-	(1,321)
	<u> </u>	<u> </u>
	£ -	£ (1,321)
	<u> </u>	<u> </u>

The company is a close company within the terms of section 414 of the Income and Corporation Taxes Act 1988 year.

7. Tangible Assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1st January 1995	71,950	27,294	49,905	149,149
Additions	-	7,119	-	7,119
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31st December 1995	71,950	34,413	49,905	156,268
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation				
At 1st January 1995	55,266	16,992	30,225	102,483
Charge for year	3,337	3,485	4,920	11,742
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31st December 1995	58,603	20,477	35,145	114,225
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book values				
At 31st December 1995	£ 13,347	£ 13,936	£ 14,760	£ 42,043
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31st December 1994	£ 16,684	£ 10,302	£ 19,681	£ 46,667
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

12. Share Capital

	1995 £	1994 £
Authorised		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u> </u>	<u> </u>