

Registered Number:371303

Selected Rug & Matting Limited
Directors' Report and Financial Statements
for the year ended 31st December 1994

REGISTRAR
COPY

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Selected Rug & Matting Limited
Directors' Report and Financial Statements
for the year ended 31st December 1994

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 * These pages do not form part of the statutory Financial Statements.	

Selected Rug & Matting Limited

Directors' Report for the year ended 31st December 1994

The directors present their report and the financial statements for the year ended 31st December 1994.

Principal Activities and Review of the Business

The company's principal activity during the year was those of merchants and distributors of carpets and rugs. Turnover reduced and there were lower gross margins. In the current year directors have taken a view to eliminate the unprofitable turnover and thereby hope to reduce operating expenses.

Results and Dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a dividend.

It is proposed that the loss of £11,621 is transferred to reserves.

Fixed Assets

The significant changes in fixed assets during the year are explained in note 7 to the financial statements.

Directors and their Interests

The directors who served during the year and their interests in the ordinary shares of the company were as stated below.

	Number of shares	
	1994	1993
O. Eisenberg	750	750
*S. Eisenberg	9,250	9,250
*Including family interest		

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Jeffreys Henry be reappointed as auditors of the company will be put to the Annual General Meeting.

Selected Rug & Matting Limited

Directors' Report for the year ended 31st December 1994 (continued)

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 of the company for that period. In preparing those financial statements, the directors are required to:

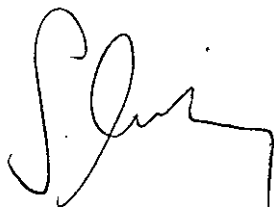
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 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.

This report was approved by the Board on 31 July1995

S. Eisenberg

Director



Selected Rug & Matting Limited

**Auditors' Report
to the shareholders of Selected Rug & Matting Limited**

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.

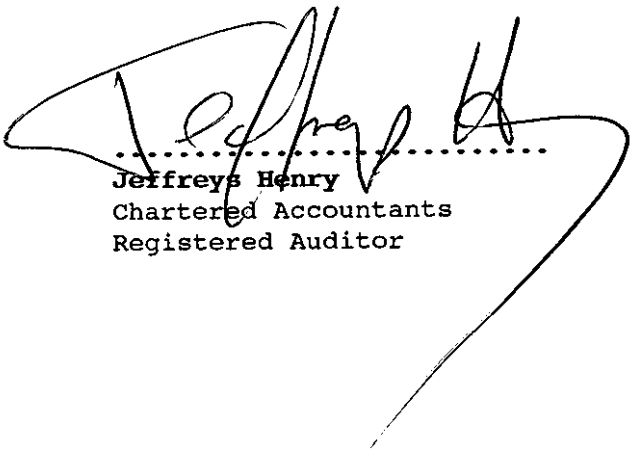
Basis of opinion

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 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



.....
Jeffrey Henry
Chartered Accountants
Registered Auditor

Date: 31 July 1995

Finsgate
5-7 Cranwood Street
London
EC1V 9EE

Selected Rug & Matting Limited
Profit and Loss Account
for the year ended 31st December 1994

	Notes	1994 £	1993 £
Turnover	2	2,818,707	3,070,191
Cost of sales		(2,214,001)	(2,394,397)
Gross profit		<u>604,706</u>	<u>675,794</u>
Administrative expenses		(589,578)	(643,296)
Operating profit	3	<u>15,128</u>	<u>32,498</u>
Other interest receivable and similar income	4	402	252
Interest payable and similar charges	5	(28,472)	(21,030)
Loss on ordinary activities before taxation		<u>(12,942)</u>	<u>11,720</u>
Tax on loss on ordinary activities	6	<u>1,321</u>	<u>(3,837)</u>
Loss for the financial year	13	<u>£ (11,621)</u>	<u>£ 7,883</u>

There are no recognised gains and losses other than those passing through the profit and loss account.

Selected Rug & Matting Limited

**Balance Sheet
as at 31st December 1994**

	Notes	1994 £	1993 £
Fixed Assets			
Tangible assets	7	46,667	41,742
Current Assets			
Stock	8	427,494	256,659
Debtors	9	711,377	688,376
		<u>1,138,871</u>	<u>945,035</u>
Creditors: amounts falling due within one year	10	<u>(582,294)</u>	<u>(371,913)</u>
Net Current Assets		<u>556,577</u>	<u>573,122</u>
Total Assets Less Current Liabilities		<u>£ 603,244</u>	<u>£ 614,864</u>
Capital and Reserves			
Called up share capital	12	10,000	10,000
Profit and loss account	13	593,244	604,864
Shareholders' Funds	14	<u>£ 603,244</u>	<u>£ 614,864</u>

The financial statements were approved by the Board on 31 July1995.
and signed on its behalf by:

.....
Director

S. Eisenberg

Selected Rug & Matting Limited

Notes to the Financial Statements for the year ended 31st December 1994

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 Financial Statements
for the year ended 31st December 1994**

2. Turnover

	Turnover	
	1994	1993
	£	£
Geographical market		
United Kingdom	2,720,380	2,894,494
European Community	51,658	98,158
Middle East	1,000	8,645
North America	3,360	3,442
	<u>£2,776,398</u>	<u>£3,004,739</u>

3. Operating Profit

Operating profit is stated after charging:

	1994	1993
	£	£
Depreciation of tangible assets	13,297	11,580
Auditors' remuneration	4,900	6,200
	<u>18,197</u>	<u>17,780</u>

4. Other Interest Receivable and Similar Income

	1994	1993
	£	£
Bank interest receivable	402	252
	<u>402</u>	<u>252</u>

5. Interest Payable

	1994	1993
	£	£
On bank loans and overdrafts	27,761	20,917
On overdue tax	711	113
	<u>£ 28,472</u>	<u>£ 21,030</u>

Selected Rug & Matting Limited

**Notes to the Financial Statements
for the year ended 31st December 1994**

6. Taxation	1994 £	1993 £
U.K. Current year taxation		
U.K. Corporation tax at 0% (1993 - 25%)	-	3,837
Prior years		
U.K. Corporation tax	(1,321)	-
	<u>£ (1,321)</u>	<u>£ 3,837</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 1994	71,382	22,153	49,787	143,322
Additions	568	5,140	25,053	30,761
Disposals	-	-	(24,935)	(24,935)
	<u>71,950</u>	<u>27,293</u>	<u>49,905</u>	<u>149,148</u>
At 31st December 1994	71,950	27,293	49,905	149,148
Depreciation				
At 1st January 1994	51,095	14,416	36,069	101,580
On disposals	-	-	(12,396)	(12,396)
Charge for year	4,171	2,575	6,551	13,297
	<u>55,266</u>	<u>16,991</u>	<u>30,224</u>	<u>102,481</u>
At 31st December 1994	55,266	16,991	30,224	102,481
Net book values				
At 31st December 1994	<u>£ 16,684</u>	<u>£ 10,302</u>	<u>£ 19,681</u>	<u>£ 46,667</u>
At 31 December 1993	<u>£ 20,287</u>	<u>£ 7,737</u>	<u>£ 13,718</u>	<u>£ 41,742</u>

8. Stock	1994 £	1993 £
Finished goods and goods for resale	<u>427,494</u>	<u>256,659</u>

Selected Rug & Matting Limited

Notes to the Financial Statements for the year ended 31st December 1994

9. Debtors	1994 £	1993 £
Trade debtors	467,871	449,526
Loans to directors	66	66
Corporation tax	1,320	-
Other debtors	236,205	223,030
Prepayments and accrued income	5,915	15,754
	<u>£ 711,377</u>	<u>£ 688,376</u>

10. Creditors: amounts falling due within one year	1994 £	1993 £
Bank loans and overdrafts	316,395	66,451
Trade creditors	141,463	156,220
Corporation tax	-	3,838
Taxes and social security costs	97,936	108,015
Directors' current accounts	118	91
Other creditors	187	4,256
Accruals and deferred income	26,195	33,042
	<u>£ 582,294</u>	<u>£ 371,913</u>

The bank overdraft is secured by a fixed and floating charge over the assets of the company.

11. Pension Costs

The company operates two defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension costs charge represents contributions payable by the company to the funds and amounted to £3,141 (1993 £6,141).

12. Share Capital	1994 £	1993 £
Authorised		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Selected Rug & Matting Limited

**Notes to the Financial Statements
for the year ended 31st December 1994**

13. Profit And Loss Account	1994	1993
	£	£
Retained profits at 1st January 1994	604,865	596,981
Retained loss for the year	(11,621)	7,883
	<u>£ 593,244</u>	<u>£ 604,864</u>
Retained profits at 31st December 1994	<u><u>£ 593,244</u></u>	<u><u>£ 604,864</u></u>
 14. Reconciliation of Movements in Shareholders' Funds	 1994	 1993
	£	£
Loss for the financial year	(11,621)	7,883
Opening shareholders' funds	614,864	606,981
	<u>£ 603,244</u>	<u>£ 614,864</u>
Closing shareholders' funds	<u><u>£ 603,244</u></u>	<u><u>£ 614,864</u></u>
 15. Contingent Liabilities		
The following existed at 31st December 1994: a cross bank guarantee in conjunction with a connected company. This amounted to £134,650 (1993 £149,650); documentary credits £17,307 (1993 £297,263)		
 16. Directors' Emoluments	 1994	 1993
	£	£
Remuneration	<u>£ 41,145</u>	<u>£ 44,650</u>

Selected Rug & Matting Limited

Notes to the Financial Statements for the year ended 31st December 1994

17. Employees

Number of employees

The average weekly number of employees (including directors) during the year was:

	1994 Number	1993 Number
Management, office and selling	6	6
Warehouse	4	4
	<u>10</u>	<u>10</u>

Employment costs

	£	£
Wages and salaries	153,526	149,929
Social security costs	15,025	15,491
Other pension costs	3,141	6,141
	<u>£ 171,692</u>	<u>£ 171,561</u>