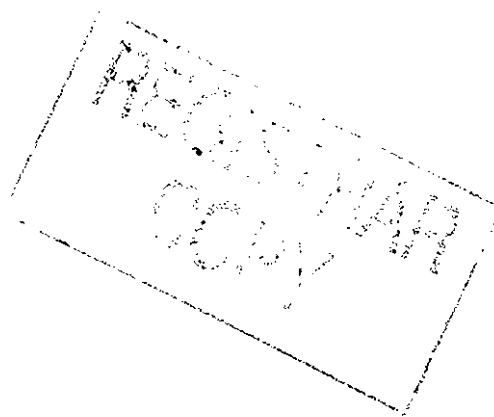


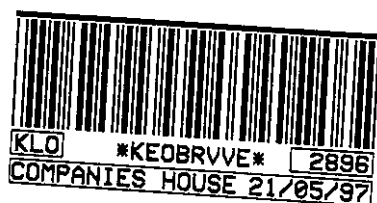
Registered Number 371303



Selected Rug & Matting Limited

Abbreviated Accounts

for the year ended 31st December 1996



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 accounts 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 1996.

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 directors' statement on page 3 and whether the abbreviated accounts 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 accounts 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 1996, and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with that Schedule.

Other information

On 2 May 1997 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 1996, and our audit report was as follows:

'We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

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 1996 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

2 May 1997

Finsgate
5-7 Cranwood Street
London
EC1V 9EE

Selected Rug & Matting Limited

Abbreviated Balance Sheet
as at 31st December 1996

	Notes	1996 £	1995 £
Fixed Assets			
Tangible assets	2	35,710	42,043
Current Assets			
Stocks		186,108	365,698
Debtors		614,357	651,502
Cash at bank and in hand		101,197	(29,161)
		<u>901,662</u>	<u>988,039</u>
Creditors: amounts falling due within one year		<u>(341,705)</u>	<u>(433,937)</u>
Net Current Assets		<u>559,957</u>	<u>554,102</u>
Total Assets Less Current Liabilities		<u>595,667</u>	<u>596,145</u>
Capital and Reserves			
Called up share capital	3	10,000	10,000
Profit and loss account		<u>585,667</u>	<u>586,145</u>
Shareholders' Funds		<u>595,667</u>	<u>596,145</u>

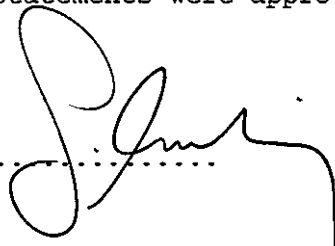
In preparing these abbreviated accounts:

- (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 2 May 1997.

S. Eisenberg

Director



Selected Rug & Matting Limited

Notes to the Abbreviated Accounts for the year ended 31st December 1996

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 cash flow 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 1996

2. Tangible Assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1st January 1996	71,950	34,412	49,905	156,267
Additions	-	3,950	-	3,950
Disposals	-	-	(7,300)	(7,300)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1996	71,950	38,362	42,605	152,917
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1st January 1996	58,603	20,476	35,145	114,224
On disposals	-	-	(6,837)	(6,837)
Charge for year	2,669	3,577	3,574	9,820
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1996	61,272	24,053	31,882	117,207
	<hr/>	<hr/>	<hr/>	<hr/>
Net book values				
At 31st December 1996	10,678	14,309	10,723	35,710
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st December 1995	13,347	13,936	14,760	42,043
	<hr/>	<hr/>	<hr/>	<hr/>

3. Share Capital

	1996 £	1995 £
Authorised		
10,000 Ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000
	<hr/>	<hr/>