

REGISTER

Company Registration No. 889328 (England and Wales)

CARPET CUTS LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2001



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CARPET CUTS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 OCTOBER 2001

The director presents his report and financial statements for the year ended 31 October 2001.

Principal activities

The principal activity of the company continued to be that of carpet retailers.

Director

The following director has continued to hold office during the year:

A F Lawler

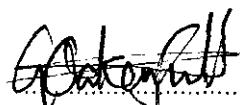
Director's interests

The director's interest in the shares of the company was as stated below:

	Ordinary shares of £ 1 each	
	31 October 2001	1 November 2000
A F Lawler	15	15

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



G Oakenfull

Secretary

9-7-2002

CARPET CUTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2001

	Notes	2001 £	2000 £
Turnover		439,187	454,295
Cost of sales		236,512	265,364
Gross profit		202,675	188,931
Administrative expenses		212,393	188,529
Operating (loss)/profit	2	(9,718)	402
Other interest receivable and similar income		248	611
Interest payable and similar charges		(9,470)	1,013
(Loss)/profit on ordinary activities before taxation		(9,470)	1,011
Tax on (loss)/profit on ordinary activities	3	(969)	1,219
Loss on ordinary activities after taxation		(8,501)	(208)
Dividends		-	(25,000)
Retained loss for the year	10	(8,501)	(25,208)

CARPET CUTS LIMITED

BALANCE SHEET AS AT 31 OCTOBER 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	4		15,844		21,851
Current assets					
Stocks		30,037		32,009	
Debtors	5	6,390		9,444	
Cash at bank and in hand		5,587		2,434	
		<u>42,014</u>		<u>43,887</u>	
Creditors: amounts falling due within one year	6	<u>50,432</u>		<u>49,811</u>	
Net current liabilities			(8,418)		(5,924)
Total assets less current liabilities			<u>7,426</u>		<u>15,927</u>
Provisions for liabilities and charges	7		<u>1,000</u>		<u>1,000</u>
			<u>6,426</u>		<u>14,927</u>
Capital and reserves					
Called up share capital	9		100		100
Profit and loss account	10		<u>6,326</u>		<u>14,827</u>
Shareholders' funds			<u>6,426</u>		<u>14,927</u>

CARPET CUTS LIMITED

BALANCE SHEET (CONTINUED) AS AT 31 OCTOBER 2001

In preparing these financial statements:

- (a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The director acknowledges his responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

The financial statements were approved by the Board on 9-7-2002



A F Lawler
Director

CARPET CUTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

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, as follows:

Lease	10% on cost
Leasehold improvements	Over period of 9 3/4 years
Plant and equipment	15% on written down value
Office furniture, fixtures & fittings	15% on written down value

1.4 Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Deferred tax

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.6 Pensions

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

2 Operating (loss)/profit

	2001	2000
	£	£
Operating (loss)/profit is stated after charging:		
Depreciation of tangible assets	6,007	6,235
Director's emoluments	24,614	21,386

3 Taxation

	2001	2000
	£	£
U.K. current year taxation		
U.K. corporation tax at 10% (2000 - 20%)	(612)	1,219
Prior years		
U.K. corporation tax	(357)	-
	<u>(969)</u>	<u>1,219</u>

CARPET CUTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2001

4 Tangible fixed assets

	Land and buildings	Other tangible fixed assets	Total
	£	£	£
Cost			
At 1 November 2000 & at 31 October 2001	76,496	36,675	113,171
Depreciation			
At 1 November 2000	63,267	28,053	91,320
Charge for the year	4,714	1,293	6,007
At 31 October 2001	67,981	29,346	97,327
Net book value			
At 31 October 2001	8,515	7,329	15,844
At 31 October 2000	13,229	8,622	21,851

5 Debtors

	2001 £	2000 £
Trade debtors	4,558	8,036
Other debtors	1,832	1,215
Directors account	-	193
	6,390	9,444

6 Creditors: amounts falling due within one year

	2001 £	2000 £
Trade creditors	26,928	22,364
Taxation and social security	4,153	7,997
Other creditors	19,351	19,450
	50,432	49,811

CARPET CUTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2001

7 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 November 2000 and at 31 October 2001	<u>1,000</u>

8 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £833 (2000 - £833).

9 Share capital

	2001 £	2000 £
Authorised		
100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary shares of £ 1 each	<u>100</u>	<u>100</u>

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 November 2000	14,827
Retained loss for the year	(8,501)
Balance at 31 October 2001	<u>6,326</u>

11 Control

The ultimate controlling party is Mr E N Watts who holds 80% of the share capital.

12 Related party transactions

Rent of £18,000 (2000 - £18,000) was paid to Mr E N Watts, the majority shareholder, in the year.

Vinyl Cuts Limited is a dormant, wholly owned subsidiary of Carpet Cuts Limited. Expenses of £139 were paid on its behalf.