

Company Number: 1763122

COMPANIES REGISTRY COPY

Stikatak Limited

Financial Statements

for the year ended 31st December 2001



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Stikatak Limited

Company Information

Company No: 1763122

Chairman

Mr John C. Whiting

Registered Office

Unit J
Braintree Road Industrial Estate
Braintree Road
Ruislip
Middlesex
HA4 OEG

Directors

Mr John C. Whiting
Mr John S. L. Stock
Mrs Anjana Thakrar
Mr David Hume

Secretary

Mr John C. Whiting

Auditors

Landau Morley
Lanmor House
370-386 High Road
Wembley
Middlesex
HA9 6AX

Bankers

Barclays Bank Plc
28 Hampstead High Street
London
NW3 1QB

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Stikatak Limited

Directors' Report

for the year ended 31st December 2001

The directors submit their report together with the audited financial statements for the year ended 31st December 2001.

Directors' Statement

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 for that year. 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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 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.

Results and Dividends

The profit on the ordinary activities of the company before taxation amounted to £389,963. After deducting taxation, the profit of £263,693 has been transferred to reserves.

The directors do not recommend a dividend.

Principal Activity and Business Review

The principal activity of the company continued to be that of the manufacture and supply of carpet accessories.

A summary of the results for the year under review is given on page 4 of the financial statements.

Future Developments of the Business

In the years immediately ahead the directors believe that there is considerable scope for the further development of the existing activities of the Company.

Directors and their Interests

The directors who served during the year and their beneficial interests in the share capital of the company were as follows:

		Ordinary shares of £1 each	
		2001	2000
		No.	No.
Mr John C. Whiting		4,500	4,500
Mr John S. L. Stock		1,500	1,500
Mrs Anjana Thakrar		-	-
Mr David Hume	(Appointed on 1st January 2001)	-	-

Stikatak Limited

Directors' Report

for the year ended 31st December 2001

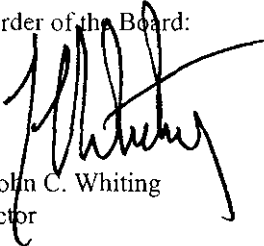
Political and Charitable Contributions

During the year payments of a charitable nature amounted to £500. There were no contributions to political organisations.

Auditors

The Auditors, Landau Morley Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board:

X 

Mr John C. Whiting
Director

12th July 2002

Independent Auditors' Report to the Shareholders of

Stikatak Limited

We have audited the financial statements of Stikatak Limited for the year ended 31st December 2001 on pages 4 to 13. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors

As described in the Statement of Directors' Responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

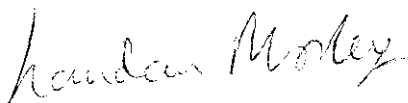
Basis of Audit Opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Audit 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Landau Morley
Chartered Accountants
and Registered Auditors**

15th July 2002

Lanmor House
370-386 High Road
Wembley
Middlesex
HA9 6AX

Stikatak Limited**Profit and Loss Account****for the year ended 31st December 2001**

	Notes	2001 £	2000 £
Turnover	2	11,461,442	10,188,519
Cost of sales		(7,105,452)	(6,525,247)
Gross profit		4,355,990	3,663,272
Distribution costs		(2,286,528)	(2,195,441)
Administrative expenses		(1,674,162)	(1,169,318)
Other operating income		10,000	20,176
Operating profit	3	405,300	318,689
Interest receivable		19,796	15,141
Interest payable	4	(35,133)	(30,591)
Profit on ordinary activities before Taxation		389,963	303,239
Tax on profit on ordinary activities	6	(126,270)	(61,096)
Profit on ordinary activities after Taxation transferred to reserves		263,693	242,143
Retained profit brought forward		1,300,698	1,058,555
Retained profit carried forward		1,564,391	1,300,698

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

Stikatak Limited

Balance Sheet

as at 31st December 2001

	Notes	2001 £	2001 £	2000 £	2000 £
Fixed Assets					
Tangible fixed assets	7		936,372		946,924
Current Assets					
Stocks	8	968,676		788,478	
Debtors	9	1,911,970		1,831,812	
Cash at bank		1,178,425		978,880	
		4,059,071		3,599,170	
Creditors:					
Amounts falling due within one year	10	(3,395,795)		(3,214,431)	
Net Current Assets			663,276		384,739
Total Assets Less Current Liabilities			1,599,648		1,331,663
Provision for Liabilities and Charges					
Deferred taxation			(29,257)		(24,965)
			1,570,391		1,306,698
Capital and Reserves					
Share capital	11		6,000		6,000
Profit and loss account			1,564,391		1,300,698
Equity Shareholders' Funds	12		1,570,391		1,306,698

These accounts were approved by the board on 12th July 2002

Mr John C. Whiting

Mr John S. L. Stock
Directors

Stikatak Limited**Cash Flow Statement****for the year ended 31st December 2001**

	Notes	2001 £	2000 £
Cash flow from operating activities	16	524,507	1,462,861
Returns on investments and servicing of finance	17	(10,795)	(10,770)
Taxation		(41,201)	(47,332)
Capital expenditure and financial investment	17	(132,967)	(788,539)
Cash inflow before use of liquid resources and financing		339,544	616,220
Financing	17	(140,000)	140,000
Increase in cash in the year	18	199,544	756,220
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year and movement in net funds in the period		199,544	756,220
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	18	140,000	(140,000)
Change in net debt resulting from cashflows		339,544	616,220
Net funds at 1st January 2001		838,880	222,660
Net funds at 31st December 2001	18	1,178,424	838,880

Notes to the Financial Statements

for the year ended 31st December 2001

1 Principal Accounting Policies

Accounting Convention

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT.

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets, other than freehold land, over their expected useful lives. The rates generally applicable are:

Plant and machinery	20% reducing balance
Motor vehicles	25% on cost
Fixtures and fittings	25% reducing balance

No depreciation is provided on freehold land and buildings in the year of acquisition. The cost of buildings is written off in subsequent years at a rate of 2% per annum.

Stocks

Stocks are stated at the lower of cost and net realisable value (after making due allowance for slow moving or obsolete items.)

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is provided for in full.

Foreign Currencies

Assets and Liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating profit.

Contribution to Pension Funds

Pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Profit and Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight-line basis over the lease term.

Stikatak Limited

Notes to the Financial Statements

for the year ended 31st December 2001

2 Turnover

The turnover and operating profit for the year were derived from the company's principal activity.

3 Operating Profit

The operating profit is stated after charging or crediting:

	2001	2000
	£	£
Profit on foreign exchange	(133,576)	(76,425)
Other operating lease rentals	181,930	96,509
Amounts payable to the auditors in respect of audit services	9,803	8,633
Depreciation - owned assets	146,399	92,947
(Profit)/Loss on disposal of fixed assets	(2,881)	4,356

2001	2000
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4 Interest Payable

	£	£
Interest on directors' loan accounts	34,975	30,591
Interest payable on late payment of tax	158	-
	35,133	30,591

Stikatak Limited

Notes to the Financial Statements

for the year ended 31st December 2001

5 Directors and Employees

Staff costs during the year were as follows:

	2001 £	2000 £
Wages and salaries	2,046,834	1,579,711
Social security costs	157,045	162,969
Other pension costs	5,516	5,211
	<u>2,209,395</u>	<u>1,747,891</u>

The average monthly number of employees, including directors, during the year was as follows:

	2001 Number	2000 Number
Administration	12	8
Production	44	34
Selling and distribution	32	33
	<u>88</u>	<u>75</u>

Remuneration in respect of directors was as follows:

	2001 £	2000 £
Aggregate amount of emoluments paid in respect of qualifying services	<u>546,000</u>	<u>405,000</u>

Other directors disclosures in respect of qualifying services:

	2001 Number	2000 Number
The number of directors to whom retirement benefits are accruing under money purchase pension schemes	<u>2</u>	<u>2</u>

Highest paid director disclosures in respect of qualifying services:

	2001 £	2000 £
Aggregate emoluments	<u>297,500</u>	<u>237,500</u>

6 Tax on Profit on Ordinary Activities

Based on the profit for the year:

U.K. Corporation tax at 26% (2000: 20%)

Deferred tax charge

Prior year adjustments - corporation tax

	2001 £	2000 £
U.K. Corporation tax at 26% (2000: 20%)	120,136	41,359
Deferred tax charge	4,292	19,737
	<u>124,428</u>	<u>61,096</u>
Prior year adjustments - corporation tax	1,842	-
	<u>126,270</u>	<u>61,096</u>

Notes to the Financial Statements

for the year ended 31st December 2001

7 Tangible Fixed Assets

	Freehold land and buildings	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
Cost	£	£	£	£	£
At 1st January 2001	455,132	603,248	129,135	116,189	1,303,704
Additions	-	74,866	48,222	16,129	139,217
Disposals	-	-	(21,041)	-	(21,041)
At 31st December 2001	455,132	678,114	156,316	132,318	1,421,880
Depreciation					
At 1st January 2001	-	226,714	53,139	76,927	356,780
Charged for the year	2,700	90,537	39,268	13,895	146,400
Eliminated on disposal	-	-	(17,672)	-	(17,672)
At 31st December 2001	2,700	317,251	74,735	90,822	485,508
Net Book Value					
At 31st December 2001	452,432	360,863	81,581	41,496	936,372
At 31st December 2000	455,132	376,534	75,996	39,262	946,924

8 Stocks

	2001 £	2000 £
Raw materials	602,513	506,253
Goods for re-sale	366,163	282,225
	968,676	788,478

9 Debtors

	2001 £	2000 £
Trade debtors	1,794,962	1,738,792
Other debtors	31,849	27,754
Prepayments and accrued income	85,159	65,266
	1,911,970	1,831,812

Notes to the Financial Statements

for the year ended 31st December 2001

10	Creditors: Amounts falling due within one year	2001	2000
		£	£
	Bank loans and overdrafts	-	140,000
	Trade creditors	1,412,950	1,824,961
	Corporation tax	122,136	41,359
	Other taxes and social security	227,977	102,542
	Other creditors	444,378	214,106
	Accruals and deferred income	1,188,354	891,463
		<u>3,395,795</u>	<u>3,214,431</u>

The Company's bankers have a fixed and floating charge over the Company's assets and a first party charge over the company's freehold property.

The bank loan of £140,000 was fully repaid in January 2001 and was secured on the company's freehold land and buildings.

11 Share Capital

Authorised	Number	£
Ordinary shares of £1 each	100,000	100,000
	<u> </u>	<u> </u>
Allotted and fully paid	Number	£
Ordinary shares of £1 each	6,000	6,000
	<u> </u>	<u> </u>

12	Reconciliation of the Movement in Shareholders' Funds	2001	2000
		£	£
	Profit for the financial year and increase in shareholders' funds	263,693	242,143
	Opening shareholders' funds	1,306,698	1,064,555
	Closing shareholders' funds	<u>1,570,391</u>	<u>1,306,698</u>

13 Pensions - Defined Contribution Scheme

The company provides pension benefits to its Directors through insured arrangements which are separate from the Company's finances. The charges for the period have been accounted for in the profit and loss account as stated in the accounting policies.

14 Operating lease commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the next financial year:

	2001	2000
	Land and buildings	Land and buildings
	£	£
Expiring:		
After five years	222,170	222,170
	<u> </u>	<u> </u>

Stikatak Limited

Notes to the Financial Statements

for the year ended 31st December 2001

15 Related Party Transactions

The company is controlled by Mr J. C. Whiting who owns 75% of the issued ordinary shares of the company.

Details of related party transactions occurring during the year are as follows:

Name of related party	Nature of Relationship	Transaction Details	Amount £	Balance £
Mr. J. C. Whiting	Director and majority shareholder	Loan interest accrued	29,143	(113,558)
		Loan account	-	(273,447)
Mr. J. S. L. Stock	Director and minority shareholder	Loan interest accrued	5,832	(30,637)
		Loan account	-	(39,122)
Stikatak Directors Pension Fund	Pension Fund controlled by directors	Rent payable	181,930	-
		Loan account	-	(1,754)

Rent and interest payable by the company are on a commercial basis.

16 Reconciliation of Operating Profit to Operating Cash Flows

	2001 £	2000 £
Operating profit	405,300	318,689
Depreciation charges	146,399	92,947
(Profit)/Loss on disposal of fixed assets	(2,881)	4,356
(Increase)/Decrease in stocks	(180,198)	1,138
Increase in debtors	(80,158)	(43,988)
Increase in creditors	236,045	1,089,719
Net Cash Inflow from Operating Activities	524,507	1,462,861

Notes to the Financial Statements

for the year ended 31st December 2001

17 Analysis of Cash Flows for headings netted in the Cash Flow Statement

Returns on investments and servicing of finance	2001 £	2000 £
Interest received	19,796	15,141
Interest paid	(30,591)	(25,911)
Net cash outflow for returns on investments and servicing of finance	(10,795)	(10,770)
Capital expenditure and financial investment	2001 £	2000 £
Purchase of tangible fixed assets	(139,217)	(810,839)
Proceeds from the sale of fixed assets	6,250	22,300
Net cash outflow for capital expenditure and financial investment	(132,967)	(788,539)
Financing	2001 £	2000 £
Debt due within a year: increase in short-term borrowings	-	250,000
Debt due within a year: repayments made	(140,000)	(110,000)
Net cash (outflow)/inflow from financing	(140,000)	140,000

18 Analysis of changes in net funds

	At 1st January 2001 £	Cashflows £	At 31st December 2001 £
Cash at bank and in hand	978,880	199,545	1,178,425
Debt due within 1 year	(140,000)	140,000	-
Total	838,880	339,545	1,178,425