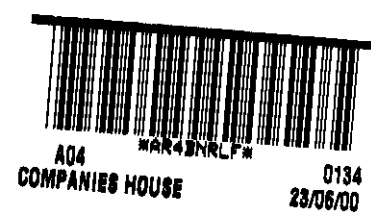


REGISTERED NUMBER:
02730835
England and Wales

NAIN CARPET LIMITED
ANNUAL REPORT AND ACCOUNTS
31 JULY 1999



NAIN CARPET LIMITED

DIRECTOR Mrs. J. KHAN

SECRETARY Mr. A. R. KHAN

REGISTERED NUMBER 02730835

REGISTERED OFFICE 68 Gresham Road
Hounslow
Middlesex, TW3 4BU

ANNUAL REPORT AND ACCOUNTS - 31 JULY 1999

Pages	3-4	Report of the directors
		Accounts comprising
	5	Profit and loss account
	6-7	Balance sheet
	8-9	Notes to the accounts

The following pages do not form part of the statutory accounts:

Page 10 - Detailed profit and loss account

NAIN CARPET LIMITED

REPORT OF THE DIRECTORS

The director's present their annual report with the accounts of the company for the year ended 31st July 1999.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was retailers of handmade carpets and rugs.

DIRECTORS

The director in office, during the year and her beneficial interests in the company's issued ordinary share capital was as follows:

	31.7.1999	31.7.1998
	-----	-----
Mrs. J. Khan - 1 ordinary share	£ 1	£ 1

DIRECTOR'S RESPONSIBILITIES

Company law requires that directors to prepare accounts 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 accounts, the directors are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- * prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business;

The directors are responsible for keeping accounting records, which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safe guarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NAIN CARPET LIMITED

REPORT OF THE DIRECTORS (continued)


AUDITORS

For the year ended 31 July 1999 the company was entitled to the exemption under section 249A(1) of the Companies Act 1985 and no member or members have requested an audit under section 249B(2) of the Companies Act 1985.

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies.

The accounts on pages 5 to 9 were approved by the board on 20 June 2000 and signed on its behalf by:

J. Khan (Mrs.)
DIRECTOR

A handwritten signature in black ink, appearing to read 'J. Khan', is positioned below the printed name and title.

NAIN CARPET LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 1999**

	Notes	1999 £	1998 £
TURNOVER	1	115,074	134,618
Cost of sales		33,935	49,130
		-----	-----
GROSS PROFIT		81,139	85,488
Administrative expenses		77,494	85,360
		-----	-----
OPERATING PROFIT	2	3,645	128
Gain on sale of lease		--	80,856
Bank interest received		2,190	4,150
Rental income		9,600	--
		-----	-----
PROFIT on ordinary activities before taxation		15,435	85,134
TAXATION		3,194	955
		-----	-----
PROFIT for the financial year after taxation		12,241	84,179
RETAINED PROFIT at 31.7.1998		90,071	5,892
		-----	-----
RETAINED PROFIT at 31.7.1999		<u>£ 102,312</u>	<u>£ 90,071</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

NAIN CARPET LIMITED

BALANCE SHEET AS AT 31 JULY 1999

	Notes	1999 £	1998 £
FIXED ASSETS			
Freehold at cost		213,487	--
Tangible assets	3	7,483	9,678
		-----	-----
		220,970	9,678
		-----	-----
CURRENT ASSETS			
Stock at cost		74,800	62,200
Receivable		14,161	13,500
Deposit account		964	119,096
Cash at bank and in hand		256	9,152
		-----	-----
		90,181	203,948
CREDITORS: amount falling due within one year	4	(63,777)	(123,553)
		-----	-----
NET CURRENT ASSETS		26,404	80,395
Bank Loan	5	(145,060)	--
		-----	-----
NET CURRENT (LIABILITIES) ASSETS		(118,656)	80,395
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		102,314	90,073
		-----	-----
		£ 102,314	£ 90,073
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	6	2	2
Profit and loss account		102,312	90,071
		-----	-----
		£ 102,314	£ 90,073
		=====	=====

The directors have:

- taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249A(1).
- For the year ended 31 July 1999, the company was entitled to the total exemption under section 249A(1) of the Companies Act 1985.

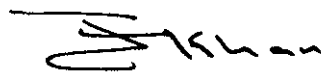
NAIN CARPET LIMITED

BALANCE SHEET - 31 JULY 1999 (continued)

- c) No member or members have requested an audit under section 249B(2) of the Companies Act 1985.
- d) The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985.
- e) The directors acknowledge their responsibilities for preparing accounts which give a true and fair view of the company and of its Profit for the year than ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this company.

The accounts on pages 5 to 9 were approved by the board on 20 June 2000 and signed on its behalf by:

Mrs. J. Khan.....
Director



NAIN CARPET LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1999

1. ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statement".

Turnover

Turnover represents net amount invoiced for sale of goods excluding VAT, of £ (last year £) and insurance claim during the year of £ (last year £). Total sales £ (last year £)

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Equipment - 25% on cost

2. OPERATING PROFIT

The operating profit is stated after charging:

	1999	1998
	£	£
Depreciation of tangible fixed assets	2,495	3,223
Director's remuneration	7,800	7,000
Bank interest	8,948	2,928
	=====	=====

3. TANGIBLE FIXED ASSETS

	Equipment	Total
	£	£
Cost at 1.8.1998	14,346	14,346
Additions	300	300
	-----	-----
Cost at 31.7.1999	14,646	14,646
	=====	=====

NAIN CARPET LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1999

3. TANGIBLE FIXED ASSETS (continued)

Depreciation	Equipment	Total
	£	£
At 1.8.1998	4,668	4,668
On disposals	--	--
Charge for year	2,495	2,495
	-----	-----
At 31.7.1999	7,163	7,163
	=====	=====
Net book value		
At 31.7.1999	£ 7,483	£ 7,473
	=====	=====
At 31.7.1998	£ 9,678	£ 9,678
	=====	=====

4. CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	1999	1998
	£	£
Trade creditors	37,917	94,322
Sundry creditors	2,999	8,926
Corporation tax	3,194	955
Bank overdraft	19,667	19,350
	-----	-----
	£ 63,777	£123,553
	=====	=====

5. CREDITORS: AMOUNT FALLING DUE OVER ONE YEAR

	1999	1998
	£	£
Bank Loan	145,060	--
	=====	=====

6. CALLED UP SHARE CAPITAL

	1999	1998
	£	£
Authorised		
10,000 ordinary shares of £1 each	10,000	10,000
	=====	=====
Allotted, called up and fully paid		
2 ordinary shares of £1 each	£ 2	£ 2
	=====	=====