

NAIN CARPET LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDING 31 JULY 2004

Company Registration Number 02730835 (England and Wales)



NAIN CARPET LIMITED

DIRECTOR Mrs. J. KHAN
Mr. H. R. Khan

SECRETARY Mr. A. R. KHAN

REGISTERED NUMBER 02730835

REGISTERED OFFICE 68 Gresham Road
Hounslow
Middlesex, TW3 4BU

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 JULY 2004**

Pages	3-4	Report of the directors
		Accounts comprising
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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 2004.

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 their beneficial interests in the company's issued ordinary share capital was as follows:

	31.7.2004	31.7.2003
	-----	-----
Mr. H.R. Khan - 1 ordinary share	£ 1	nil
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.

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REPORT OF THE DIRECTORS (continued)

AUDITORS

For the year ended 31 July 2004 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 28 April 2005 and signed on its behalf by:

Mr. H R Khan
DIRECTOR



NAIN CARPET LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2004

	Notes	2004 £	2003 £
TURNOVER	1	206,685	128,539
Cost of sales		105,681	35,798
		-----	-----
GROSS PROFIT		101,004	92,741
Administrative expenses		75,315	75,071
		-----	-----
OPERATING (LOSS) PROFIT	2	25,689	17,670
Interest received-Net		296	85
Interest received-Gross		976	2,091
Rental income-Net		23,369	29,594
		-----	-----
PROFIT on ordinary activities before taxation		50,330	49,440
TAXATION		9,508	8,659
		-----	-----
PROFIT for the financial year after taxation		40,822	40,781
RETAINED PROFIT at 31.7.2003		205,925	165,144
		-----	-----
RETAINED PROFIT at 31.7.2004		£ 246,747	£ 205,925
		=====	=====

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 2004

	Notes	2004 £	2003 £
FIXED ASSETS			
Freehold at cost		539,862	539,862
Tangible assets	3	1,865	2,486
		-----	-----
		541,727	542,348
		-----	-----
CURRENT ASSETS			
Stock at cost		122,800	107,270
Receivable		10,000	--
Deposit account		123,617	37,170
Cash at bank and in hand		3,339	5,372
		-----	-----
		259,756	149,812
CREDITORS: amount falling due within one year	4	(139,305)	(166,828)
		-----	-----
NET CURRENT ASSETS		120,451	(17,016)
Bank Loan	5	(415,429)	(319,405)
		-----	-----
NET CURRENT (LIABILITIES) ASSETS		(294,978)	(336,421)
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		246,749	205,927
		-----	-----
		£ 246,749	£ 205,927
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	6	2	2
Profit and loss account		246,747	205,925
		-----	-----
		£ 246,749	£ 205,927
		=====	=====

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 2004, the company was entitled to the total exemption under section 249A(1) of the Companies Act 1985.

NAIN CARPET LIMITED

BALANCE SHEET - 31 JULY 2004 (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 a applicable to this company.

The accounts on pages 5 to 9 were approved by the board on 28 April 2005 and signed on its behalf by:

Mr. H R Khan.....
Director

NAIN CARPET LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 2004

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.

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:

	2004	2003
	£	£
Depreciation of tangible fixed assets	622	828
Director's remuneration	8,033	7,867
Bank interest	20,505	23,405

3. TANGIBLE FIXED ASSETS

	Equipment	Total
	£	£
Cost at 1.8.2003	14,802	14,802
Additions	--	--
Cost at 31.7.2004	14,802	14,802

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NOTES TO THE ACCOUNTS - 31 JULY 2004

3. TANGIBLE FIXED ASSETS (continued)

Depreciation	Equipment £	Total £
At 1.8.2003	12,315	12,315
On disposals	-	-
Charge for year	622	622
	-----	-----
At 31.7.2004	12,937	12,937
	=====	=====
Net book value		
At 31.7.2004	£ 1,865	£ 1,865
	=====	=====
At 31.7.2003	£ 3,159	£ 3,159
	=====	=====

4. CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Trade creditors	5,257	31,621
Sundry creditors	3,346	10,563
Corporation tax	9,508	12,296
Bank overdraft	27,485	16,475
Director's loan account	86,208	88,373
Rent Deposit	7,500	7,500
	-----	-----
	£ 139,305	£166,828
	=====	=====

5. CREDITORS: AMOUNT FALLING DUE OVER ONE YEAR

	2004 £	2003 £
Bank Loan	415,429	319,405
	=====	=====

6. CALLED UP SHARE CAPITAL

	2004 £	2003 £
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
	=====	=====