

REGISTERED NUMBER:

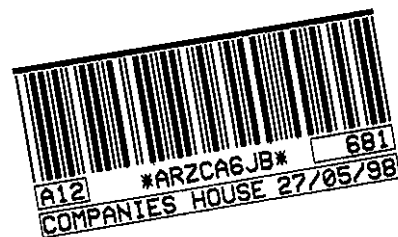
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England and Wales

NAIN CARPET LIMITED

ANNUAL REPORT AND ACCOUNTS

31 JULY 1997



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 1997

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 1997.

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:

	31.7.1997	31.7.1996
	-----	-----
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)

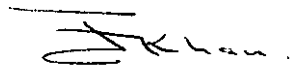
AUDITORS

For the year ended 31 July 1997 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 6 to 9 were approved by the board on 22 May 1997 and signed on its behalf by:

J. Khan (Mrs.)
DIRECTOR

A handwritten signature in black ink, appearing to read 'J. Khan', is written over the printed name.

NAIN CARPET LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 1997

	Notes	1997 £	1996 £
TURNOVER	1	132,261	83,403
Cost of sales		46,108	44,958
		-----	-----
GROSS PROFIT		86,153	38,445
Administrative expenses		76,171	47,793
		-----	-----
OPERATING PROFIT (LOSS)	2	9,982	(9,348)
Loss on disposal of fixed assets		--	--
Bank interest received		1,083	1,208
		-----	-----
PROFIT (LOSS) on ordinary activities before taxation		11,065	(8,140)
TAXATION		406	NIL
		-----	-----
PROFIT (LOSS) for the financial year after taxation		10,659	(8,140)
RETAINED PROFIT (LOSS) at 31.7.1996		(4,767)	3,373
		-----	-----
RETAINED PROFIT (LOSS) at 31.7.1997		<u>£ 5,892</u>	<u>£(4,767)</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 - 31 JULY 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Leasehold at cost		2,896	2,896
Improvement to premises		3,478	3,487
Tangible assets	3	1,278	1,704
		<u>7,652</u>	<u>8,087</u>
CURRENT ASSETS			
Stock at cost		66,500	54,400
Receivable		12,896	5,188
Deposit account		34,841	33,862
Cash at bank and in hand		770	798
		<u>115,007</u>	<u>94,248</u>
CREDITORS: amount falling due within one year	4	(116,765)	(107,100)
NET CURRENT (LIABILITIES) ASSETS		<u>(1,758)</u>	<u>(12,852)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,894	(4,765)
		<u>£ 5,894</u>	<u>£(4,765)</u>
CAPITAL AND RESERVES			
Called up share capital	5	2	2
Profit and loss account		5,892	(4,767)
		<u>£ 5,894</u>	<u>£(4,765)</u>

The directors have:

- a) taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249A(1).
- b) For the year ended 31 July 1997, the company was entitled to the total exemption under section 249A(1) of the Companies Act 1985.

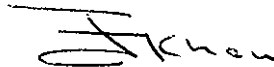
NAIN CARPET LIMITED

BALANCE SHEET - 31 JULY 1997 (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 6 to 9 were approved by the board on 22 May 1997 and signed on its behalf by:

Mrs. J. Khan.....
Director



NAIN CARPET LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1997

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 £116,761 (last year £61,186) and insurance claim during the year of £15,500 (last year £22,217). Total sales £132,261 (last year £83,403)

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 (LOSS)

The operating profit is stated after charging:

	1997	1996
	£	£
Depreciation of tangible fixed assets	426	567
Director's remuneration	6,512	6,301
Bank interest	2,292	1,744

3. TANGIBLE FIXED ASSETS

	Equipment	Total
	£	£
Cost at 1.8.1996	2,723	2,723
Cost at 31.7.1997	2,723	2,723

NAIN CARPET LIMITED

NOTES TO THE ACCOUNTS - 31 JULY 1997

3. TANGIBLE FIXED ASSETS (continued)

Depreciation	Equipment £	Total £
At 1.8.1996	1,019	1,019
On disposals	--	--
Charge for year	426	426
	-----	-----
At 31.7.1997	1,445	1,445
	=====	=====
Net book value		
At 31.7.1997	£ 1,278	£ 1,278
	=====	=====
AT 31.7.1996	£ 1,704	£ 1,704
	=====	=====

4. CREDITORS: AMOUNT FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Trade creditors	79,752	69,789
Sundry creditors	7,324	12,665
Corporation tax	501	1,277
Bank overdraft	29,188	23,369
	-----	-----
	£116,765	£107,100
	=====	=====

5. CALLED UP SHARE CAPITAL

	1997 £	1996 £
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
	=====	=====