

Registered no. 1220080

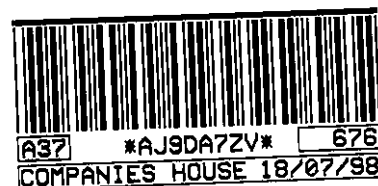
JIM'S CARPETS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 1997

Dickson Kettlewell
Temple House
Raglan Street
Harrogate HG1 1LE



JIM'S CARPETS LIMITED

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JIM'S CARPETS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1997

Directors' Responsibilities

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 of the company for that period. 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;
- follow applicable accounting standards subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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 that 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.

Directors

J Walker
A Walker
S Walker
C Walker

Secretary

J Walker

Registered Office

42 Commercial Road
Kirkstall
Leeds
LS5 3AQ

Principal Activities

The principal activities of the company throughout the year were the sale of floor coverings, bedding and divans.

On the 4th December 1997 the company changed its name from Jim's Carpets & Boys & Menswear Limited to Jim's Carpets Limited.

Results and Dividends

The results of the year's trading and the financial position of the company are shown in the annexed accounts.

Directors

The present directors are as shown above. J Walker and A Walker served on the board throughout the year. S Walker and C Walker were appointed on 3rd December 1997.

JIM'S CARPETS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 1997 (CONT)

In accordance with the articles of association, Mrs A Walker retires from the board of directors at the forthcoming annual general meeting and, being eligible offers herself for re-election.

Directors' Interests

The interests of the directors in the shares of the company at the beginning and end of the year, were as follows:

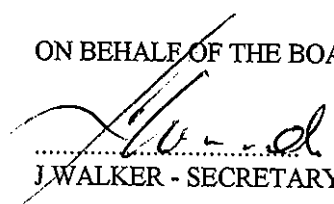
	30 September 1997	1 October 1996
Ordinary shares of £1 each		
J Walker	50	50
A Walker	50	50

Auditors

The auditors, Dickson Kettlewell, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

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

ON BEHALF OF THE BOARD


J WALKER - SECRETARY

Date: 8/2/98

JIM'S CARPETS LIMITED

AUDITORS' REPORT TO THE MEMBERS OF JIM'S CARPETS LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing 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 30 September 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



DICKSON KETTLEWELL
Registered Auditors

Date: 9th July 1998

TEMPLE HOUSE
RAGLAN STREET
HARROGATE
HG1 1LE

JIM'S CARPETS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1997

	Note	1997 £	1996 £
TURNOVER	2	612,340	469,857
Cost of sales		363,598	252,465
GROSS PROFIT		248,742	217,392
Net operating expenses	3	201,313	186,097
OPERATING PROFIT	4	47,429	31,295
Other interest receivable and similar income		198	105
Interest payable and similar charges		(1,584)	(652)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		46,043	30,748
Tax on profit on ordinary activities	5	11,633	7,463
RETAINED PROFIT FOR THE FINANCIAL YEAR		34,410	23,285
Retained profit/(loss) brought forward		10,958	(12,328)
RETAINED PROFIT CARRIED FORWARD		45,368	10,957

The annexed notes form part of these financial statements.

JIM'S CARPETS LIMITED

BALANCE SHEET AT 30 SEPTEMBER 1997

	Note	1997 £	1996 £
FIXED ASSETS			
Tangible assets	6	32,069	42,602
CURRENT ASSETS			
Stock		69,267	64,592
Debtors	7	24,683	547
Cash at bank and in hand		61,237	38,734
		<u>155,187</u>	<u>103,873</u>
CREDITORS			
Amounts falling due within one year	8	<u>129,748</u>	<u>113,742</u>
NET CURRENT ASSETS		25,439	(9,869)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>57,508</u>	<u>32,733</u>
CREDITORS			
Amounts falling due after more than one year	9	(12,040)	(21,676)
NET ASSETS		<u>45,468</u>	<u>11,057</u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account		45,368	10,957
SHAREHOLDERS' FUNDS		<u>45,468</u>	<u>11,057</u>

The annexed notes form part of these financial statements.

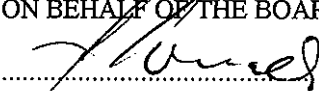
JIM'S CARPETS LIMITED

BALANCE SHEET AT 30 SEPTEMBER 1997 (CONT)

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

These financial statements were approved by the board on

ON BEHALF OF THE BOARD


.....
J WALKER - DIRECTOR

Date: 8/1/98.....

The annexed notes form part of these financial statements.

JIM'S CARPETS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1997

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention.

The effect of events in relation to the year ended 30 September 1997 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 30 September 1997 and of the results for the year ended on that date.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Fixtures and fittings	- 15% reducing balance
Motor vehicles	- 25% reducing balance

2. TURNOVER

The company's turnover represents the value, excluding Value Added Tax, of goods and services supplied to customers during the year.

3. NET OPERATING EXPENSES

	1997 £	1996 £
Administrative expenses	201,313	186,097

4. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	1997 £	1996 £
Directors' emoluments	33,958	33,358
Depreciation and amortisation of owned assets	1,402	1,841
Depreciation of assets held under finance leases and hire purchase	9,133	12,178
Auditors' remuneration	2,000	2,000
Loss on sale of fixed assets	-	(6,265)

JIM'S CARPETS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1997 (CONT)

5. TAXATION ON ORDINARY ACTIVITIES

	1997 £	1996 £
Current year		
Corporation tax at 22.5%	11,633	7,463
	<u> </u>	<u> </u>

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Total £
Cost			
At 1 October 1996	3,178	85,486	88,664
Additions	-	-	-
Disposals	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 30 September 1997	3,178	85,486	88,664
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1 October 1996	2,017	44,044	46,061
Charge for the year	174	10,360	10,534
Disposals	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 30 September 1997	2,191	54,404	56,595
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 30 September 1997	987	31,082	32,069
	<u> </u>	<u> </u>	<u> </u>
At 30 September 1996	1,161	41,441	42,602
	<u> </u>	<u> </u>	<u> </u>

Included in the total net book value of tangible fixed assets held at 30 September 1997 was £27,399 in respect of assets held under finance leases and hire purchase contracts.

7. DEBTORS

	1997 £	1996 £
Prepayments and accrued income	24,683	547
	<u> </u>	<u> </u>

JIM'S CARPETS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1997 (CONT)

8. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	1997 £	1996 £
Obligations under finance leases and hire purchase contracts	8,743	7,851
Trade creditors	45,267	51,948
Corporation tax payable	11,633	7,463
Social security and other taxes	23,229	18,131
Other creditors	40,876	28,349
	<u>129,748</u>	<u>113,742</u>

Other creditors includes an amount due to J Walker a director. The balance at 30 September 1997 was £38,150 (1996: £25,992). The loan is interest free and has no fixed terms for repayment.

9. CREDITORS - AMOUNTS DUE AFTER ONE YEAR

	1997 £	1996 £
Other creditors	<u>12,040</u>	<u>21,676</u>

Obligations under finance leases and hire purchase contracts are secured.

10. SHARE CAPITAL

	1997 £	1996 £
Authorised 3,000 ordinary shares of £1 each	<u>3,000</u>	<u>3,000</u>
Allotted, called up and fully paid 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

11. LEASING COMMITMENTS

At 30 September 1997 the company had annual commitments under non-cancellable operating leases as detailed below:

	1997 £	1996 £
Operating leases which expire:		
Within two to five years	13,500	13,500
After more than five years	16,000	16,000
	<u>29,500</u>	<u>29,500</u>

JIM'S CARPETS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 1997 (CONT)

12. TRANSACTIONS WITH DIRECTORS

During the year the company paid rent to J Walker and A Walker, directors, to the value of £16,324, on normal commercial terms. There was no outstanding amount at the year end.