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REGISTERED NUMBER: 1220080 (England and Wales)

REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002
FOR
JIM'S CARPETS LIMITED



JIM'S CARPETS LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6
Trading and Profit and Loss Account	11

JIM'S CARPETS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2002**

DIRECTORS:

J Walker
A Walker
S E Walker
C D Walker

SECRETARY:

J Walker

REGISTERED OFFICE:

42 Commercial Road
Kirkstall
Leeds
Yorkshire
LS5 3AQ

REGISTERED NUMBER:

1220080 (England and Wales)

AUDITORS:

wbs
Registered Auditor
Chartered Accountants
The Hamlet
Hornbeam Park
Harrogate
HG2 8RE

JIM'S CARPETS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 SEPTEMBER 2002

The directors present their report with the financial statements of the company for the year ended 30 September 2002.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of the sale of floor coverings, bedding & divans.

DIRECTORS

The directors during the year under review were:

J Walker
A Walker
S E Walker
C D Walker

The beneficial interests of the directors holding office on 30 September 2002 in the issued share capital of the company were as follows:

	30.9.02	1.10.01
Ordinary shares £1 shares		
J Walker	25	25
A Walker	25	25
S E Walker	25	25
C D Walker	25	25

25 shares are held jointly by S E Walker, J Walker and A Walker as Trustees, with C D Walker as beneficiary.

STATEMENT OF 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

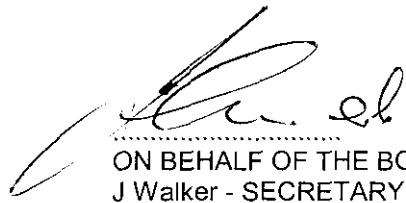
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

AUDITORS

The auditors, wbs, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This 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:



ON BEHALF OF THE BOARD
J Walker - SECRETARY

Dated: 25 July 2003

JIM'S CARPETS LIMITED

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
JIM'S CARPETS LIMITED**

We have audited the financial statements of Jim's Carpets Limited for the year ended 30 September 2002 on pages four to ten. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of 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 Report of the Directors 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 Report of the Directors 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 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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



wbs
Registered Auditor
Chartered Accountants
The Hamlet
Hornbeam Park
Harrogate
HG2 8RE

Dated: 25 July 2003

JIM'S CARPETS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2002**

		<u>2002</u>	<u>2001</u>
	Notes	£	£
TURNOVER		1,243,253	1,125,405
Cost of sales		<u>(755,653)</u>	<u>(704,112)</u>
GROSS PROFIT		487,600	421,293
Administrative expenses		<u>(264,520)</u>	<u>(234,937)</u>
OPERATING PROFIT	2	223,080	186,356
Interest receivable and similar income		<u>1,961</u>	<u>4,859</u>
		225,041	191,215
Interest payable and similar charges		<u>(787)</u>	<u>(2,165)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		224,254	189,050
Tax on profit on ordinary activities	3	<u>(40,563)</u>	<u>(38,428)</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		183,691	150,622
Dividends	4	<u>(240,000)</u>	-
		<u>(56,309)</u>	150,622
Retained profit brought forward		388,072	237,450
RETAINED PROFIT CARRIED FORWARD		<u>£331,763</u>	<u>£388,072</u>

The notes form part of these financial statements

JIM'S CARPETS LIMITED

**BALANCE SHEET
30 SEPTEMBER 2002**

		<u>2002</u>	<u>2001</u>
	Notes	£	£
FIXED ASSETS:			
Tangible assets	5	15,041	42,685
CURRENT ASSETS:			
Stocks		98,307	90,856
Debtors	6	26,941	35,398
Cash at bank and in hand		404,109	362,768
		<u>529,357</u>	<u>489,022</u>
CREDITORS: Amounts falling due within one year	7	<u>(211,374)</u>	<u>(143,535)</u>
NET CURRENT ASSETS:		<u>317,983</u>	<u>345,487</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		333,024	388,172
PROVISIONS FOR LIABILITIES AND CHARGES:	9	<u>(1,161)</u>	<u>-</u>
		<u><u>£331,863</u></u>	<u><u>£388,172</u></u>
CAPITAL AND RESERVES:			
Called up share capital	10	100	100
Profit and loss account		331,763	388,072
SHAREHOLDERS' FUNDS:		<u><u>£331,863</u></u>	<u><u>£388,172</u></u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:


J. Walker - DIRECTOR

Approved by the Board on 25 July 2003

JIM'S CARPETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

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

Leasehold improvements	- over the term of the lease
Plant and machinery	- 20% reducing balance
Fixtures and fittings	- 15% reducing balance
Motor vehicles	- 25% reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. This is a change of policy but the effect on the previous accounts is not material.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

JIM'S CARPETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002**

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2002	2001
	£	£
Depreciation - owned assets	5,853	4,476
Depreciation - assets on hire purchase contracts or finance leases	-	7,012
Profit on disposal of fixed assets	(9,159)	-
Auditors' remuneration	1,750	1,750
Pension costs	9,190	9,169
	<u>150,145</u>	<u>90,200</u>

The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit schemes	<u>4</u>	<u>4</u>
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3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2002	2001
	£	£
Current tax:		
UK corporation tax	39,402	38,428
Deferred tax:		
Deferred taxation	1,161	-
Tax on profit on ordinary activities	<u>40,563</u>	<u>38,428</u>

UK corporation tax has been charged at 19.50% (2001 - 20%).

4. DIVIDENDS

	2002	2001
	£	£
Interim - Ordinary shares	<u>240,000</u>	<u>-</u>

JIM'S CARPETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002**

5. TANGIBLE FIXED ASSETS

	Leasehold property	Office equipment	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£	£
COST:					
At 1 October 2001	2,860	1,100	23,291	97,925	125,176
Disposals	-	-	-	(97,925)	(97,925)
At 30 September 2002	2,860	1,100	23,291	-	27,251
DEPRECIATION:					
At 1 October 2001	1,144	220	8,106	73,021	82,491
Charge for year	286	176	2,278	3,113	5,853
Eliminated on disposals	-	-	-	(76,134)	(76,134)
At 30 September 2002	1,430	396	10,384	-	12,210
NET BOOK VALUE:					
At 30 September 2002	1,430	704	12,907	-	15,041
At 30 September 2001	1,716	880	15,185	24,904	42,685

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Motor vehicles
	£
COST:	
At 1 October 2001	66,475
Transferred to ownership	(66,475)
At 30 September 2002	-
DEPRECIATION:	
At 1 October 2001	45,443
Transferred to ownership	(45,443)
At 30 September 2002	-
NET BOOK VALUE:	
At 30 September 2002	-
At 30 September 2001	21,032

JIM'S CARPETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002**

**6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002 £	2001 £
Trade debtors	18,474	16,255
Other debtors	2,049	16,884
Prepayments	6,418	937
Directors current accounts	-	1,322
	<u>26,941</u>	<u>35,398</u>

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2002 £	2001 £
Trade creditors	26,833	45,861
Directors current accounts	91,681	-
Hire purchase	-	6,548
Other creditors	4,329	-
Social security & other taxes	39,278	42,164
Taxation	40,272	38,428
Accrued expenses	8,981	10,534
	<u>211,374</u>	<u>143,535</u>

8. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	2002 £	2001 £
Expiring:		
Within one year	4,500	13,500
In more than five years	19,635	16,016
	<u>24,135</u>	<u>29,516</u>

9. PROVISIONS FOR LIABILITIES AND CHARGES

	2002 £	2001 £
Deferred taxation	1,161	-
	<u>1,161</u>	<u>-</u>
	Deferred tax	
	£	
Deferred taxation	1,161	
	<u>1,161</u>	
Balance at 30 September 2002	<u>1,161</u>	

JIM'S CARPETS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2002**

10. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	2002	2001
Number:	Class:		£	£
3,000	Ordinary shares	£1	<u>3,000</u>	<u>3,000</u>
Allotted, issued and fully paid:		Nominal value:	2002	2001
Number:	Class:		£	£
100	Ordinary shares	£1	<u>100</u>	<u>100</u>

11. TRANSACTIONS WITH DIRECTORS

During the year the company paid rent to J Walker and A Walker, directors, to the value of £19,635 (2001 £16,016), on normal commercial terms. There was no outstanding amount at the year end.