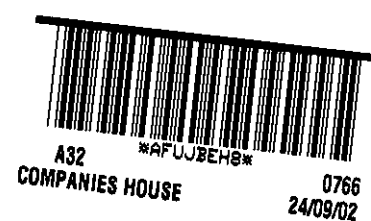


REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002
FOR
DYNE CARPET TILE COMPANY LIMITED



DYNE CARPET TILE COMPANY LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2002

	Page
Company Information	1
Report of the Directors	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	6
Report of the Accountants	11
Trading and Profit and Loss Account	12

DYNE CARPET TILE COMPANY LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2002

DIRECTORS: D Scowcroft
S N Scowcroft

SECRETARY: D Scowcroft

REGISTERED OFFICE: Unit 16, Langworthy Enterprise Park
Kansas Avenue
Salford
M5 2GL

REGISTERED NUMBER: 02460903 (England and Wales)

ACCOUNTANTS: Hoban Nelson Lang
Chartered Accountants
National Westminster House
21/23 Stamford New Road
Altrincham
Cheshire
WA14 1BN

DYNE CARPET TILE COMPANY LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2002

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the supply of carpet tiles.

DIRECTORS

The directors during the year under review were:

D Scowcroft
S N Scowcroft

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

	30.6.02	1.7.01
Ordinary £1 shares		
D Scowcroft	80	80
S N Scowcroft	20	20

In accordance with the Articles of Association, S N Scowcroft will retire at the forthcoming Annual General Meeting, and being eligible, will stand for re-election.

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:



D Scowcroft - SECRETARY

Dated: 27 August 2002

DYNE CARPET TILE COMPANY LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2002

		<u>2002</u>	<u>2001</u>
	Notes	£	£
TURNOVER		363,808	251,772
Cost of sales		<u>239,802</u>	<u>166,943</u>
GROSS PROFIT		124,006	84,829
Administrative expenses		<u>117,774</u>	<u>80,088</u>
OPERATING PROFIT	2	6,232	4,741
Interest receivable and similar income		<u>5</u>	<u>17</u>
		6,237	4,758
Interest payable and similar charges		<u>196</u>	<u>360</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		6,041	4,398
Tax on profit on ordinary activities	3	<u>686</u>	<u>387</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		5,355	4,011
Retained profit brought forward		<u>26,444</u>	<u>22,433</u>
RETAINED PROFIT CARRIED FORWARD		<u>£31,799</u>	<u>£26,444</u>

The notes form part of these financial statements

DYNE CARPET TILE COMPANY LIMITED

BALANCE SHEET
30 JUNE 2002

		2002		2001	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	4		10,397		16,147
CURRENT ASSETS:					
Debtors	5	48,914		26,117	
Cash at bank and in hand		10,215		12,493	
		59,129		38,610	
CREDITORS: Amounts falling due within one year	6	37,627		27,763	
NET CURRENT ASSETS:			21,502		10,847
TOTAL ASSETS LESS CURRENT LIABILITIES:			31,899		26,994
PROVISIONS FOR LIABILITIES AND CHARGES:	8		-		450
			£31,899		£26,544
CAPITAL AND RESERVES:					
Called up share capital	9		100		100
Profit and loss account			31,799		26,444
SHAREHOLDERS' FUNDS:			£31,899		£26,544

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 30 June 2002.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 June 2002 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

DYNE CARPET TILE COMPANY LIMITED

BALANCE SHEET
30 JUNE 2002

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:

D Scowcroft - DIRECTOR



S N Scowcroft - DIRECTOR



Approved by the Board on 27 August 2002

The notes form part of these financial statements

DYNE CARPET TILE COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 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.

Plant and machinery etc	- 33% on cost and 25% on cost
-------------------------	----------------------------------

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.

Pensions

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

Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

DYNE CARPET TILE COMPANY LIMITED

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

2. OPERATING PROFIT

The operating profit is stated after charging:

	2002	2001
	£	£
Depreciation - owned assets	6,635	2,221
Depreciation - assets on hire purchase contracts	-	3,631
Pension costs	145	-
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	-	-
	<u> </u>	<u> </u>

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	1,137	637
Prior year adjustment	(1)	-
	<u> </u>	<u> </u>
Total current tax	1,136	637
	<u> </u>	<u> </u>
Deferred tax:		
Deferred taxation	(450)	(250)
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	686	387
	<u> </u>	<u> </u>

DYNE CARPET TILE COMPANY LIMITED

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

4. **TANGIBLE FIXED ASSETS**

	Plant and machinery etc
	£
COST:	
At 1 July 2001	30,067
Additions	885
At 30 June 2002	30,952
DEPRECIATION:	
At 1 July 2001	13,920
Charge for year	6,635
At 30 June 2002	20,555
NET BOOK VALUE:	
At 30 June 2002	10,397
At 30 June 2001	16,147

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

	Plant and machinery etc
	£
COST:	
At 1 July 2001	14,525
Transferred to ownership	(14,525)
At 30 June 2002	-
DEPRECIATION:	
At 1 July 2001	7,261
Transferred to ownership	(7,261)
At 30 June 2002	-
NET BOOK VALUE:	
At 30 June 2002	-
At 30 June 2001	7,264

DYNE CARPET TILE COMPANY LIMITED

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

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

	2002 £	2001 £
Trade debtors	48,914	26,117
	<u>48,914</u>	<u>26,117</u>

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

	2002 £	2001 £
Hire purchase contracts	-	2,500
Trade creditors	22,505	11,974
Directors current accounts	10,000	10,000
Other creditors	731	1,032
Social security & other taxes	3,254	1,619
Corporation tax	1,137	638
	<u>37,627</u>	<u>27,763</u>

7. SECURED DEBTS

The following secured debts are included within creditors:

	2002 £	2001 £
Hire purchase contracts	-	2,500
	<u>-</u>	<u>2,500</u>

8. PROVISIONS FOR LIABILITIES AND CHARGES

	2002 £	2001 £
Deferred taxation	-	450
	<u>-</u>	<u>450</u>

	Deferred tax £
Balance at 1 July 2001	450
Transfer to corporation tax charge	(450)
	<u>-</u>
Balance at 30 June 2002	<u>-</u>

DYNE CARPET TILE COMPANY LIMITED

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

9. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2002 £	2001 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2002 £	2001 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

10. TRANSACTIONS WITH DIRECTORS

During the year the company traded from premises owned by the directors, D Scowcroft and Mrs S N Scowcroft. It has made rental payments to them during the period of £8,700 (2001 £8,700), this represents a normal commercial rent.

11. RELATED PARTY DISCLOSURES

The company was under the control of Mr D Scowcroft throughout the current and previous year. Mr Scowcroft is the managing director and majority shareholder.

Mr and Mrs Scowcroft are also the directors and only shareholders of Manchester Carpet Tile Centre Limited (MCTC). During the year the following transactions took place between the two companies;

	2002 £	2001 £
Purchases at cost	233,154	158,385
Proportion of expenses recharged from MCTC	15,410	13,612

The net balance due to MCTC at 30 June 2002 was £10,245 (2001 £7,846).