

CAPITAL FLOORS LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30TH JUNE, 2002



COMPANY NUMBER 3871069

CAPITAL FLOORS LIMITED

Directors	G. Waring D. R. Felstead
Secretary	Mrs. S. Felstead
Registered office	6a Welford Road, Blaby, Leicester, LE8 4FS.

FINANCIAL STATEMENTS – 30TH JUNE, 2002

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The following page does not form part of the Statutory Accounts

11 & 12	Profit and loss Account
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CAPITAL FLOORS LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report and financial statements for the year ended 30th June, 2002.

Principal activities

The principal activity of the company throughout the year was that of the installation of hardwood flooring.

Directors and their interests

The directors who served the company during the year together with their interests (including family interest) in the shares of the company at the beginning and end of the year was as follows:

Ordinary shares of £1 each **30TH June, 2002**

G. Waring	2
D. R. Felstead	2

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; and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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 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.

Accountants

Berry & Partners have indicated their willingness to continue in office and it is proposed that they be re-appointed accountants to the company for the ensuing year.

Small company rules

These accounts 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 Report Standard for Smaller Entities.

By Order of the Board



Mrs. S. Felstead
Secretary

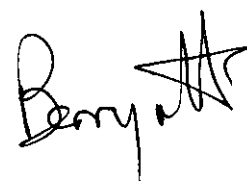
West Walk House,
99 Princess Road East,
Leicester,
LE1 7LF.

12th November, 2002

ACCOUNTANTS REPORT ON THE UNAUDITED ACCOUNTS TO
CAPITAL FLOORS LIMITED

As described on page 5, you have approved the accounts for the year ended 30th June, 2002 set out on pages 4 to 9. In accordance with your instructions, we have compiled these unaudited accounts from the accounting records and information and explanations supplied to us.

West Walk House
99 Princess Road East
Leicester
LE1 7LF.



Berry & Partners
Chartered Accountants

12th November, 2002

CAPITAL FLOORS LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE, 2002**

	<u>Note</u>	<u>2002</u>	<u>2001</u>
		<u>£</u>	<u>£</u>
TURNOVER	2	981,621	832,902
COST OF SALES		747,196	638,103
GROSS PROFIT		234,425	194,799
Establishment expenses	25,285		6,570
Administrative expenses	203,323	228,608	121,037
OPERATING PROFIT	3	5,817	67,192
Interest payable and similar charges	7	736	697
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		5,081	66,495
Taxation	6	910	12,740
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		4,171	53,755
Dividends on equity shares	8	-	32,000
RETAINED PROFIT FOR THE FINANCIAL YEAR		4,171	21,755
RETAINED PROFIT/(LOSS) 1st July, 2001		19,491	(2,264)
RETAINED PROFIT 30th June, 2002		23,662	19,491

The notes on pages (6) to (9) form part of these accounts.

CAPITAL FLOORS LIMITED**BALANCE SHEET AT 30TH JUNE, 2002**

	<u>Note</u>	<u>£</u>	<u>2002</u> <u>£</u>	<u>£</u>	<u>2001</u> <u>£</u>
FIXED ASSETS	9		10,236		10,925
CURRENT ASSETS					
Stock and work in progress	10	244,962		115,467	
Debtors and prepayments	11	68,003		149,871	
Cash at bank and in hand		917		13,265	
		313,882		278,603	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	300,448		265,288	
NET CURRENT ASSETS			13,434		13,315
			23,670		24,240
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13		-		4,741
			23,670		19,499
CAPITAL AND RESERVES					
Called up share capital	15		8		8
Profit and loss account			23,662		19,491
			23,670		19,499

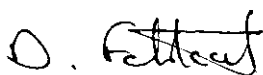
The directors confirm that:

- (a) for the year in question the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985,
- (b) no notice has been deposited under section 249B(2) in relation to its accounts for the financial year, and
- (c) they acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with section 221, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating the accounts, so far as applicable to the company.

These accounts 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.

Approved by the Board on 12th November, 2002

D. R. FELSTEAD - DIRECTOR



The notes on pages (4) to (7) form part of these accounts.

CAPITAL FLOORS LIMITED

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

1. ACCOUNTING POLICIES

(a) *Accounting basis and standards*

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

(b) *Turnover*

Turnover represents the invoiced value of services provided net of value added tax..

(c) *Depreciation*

Depreciation on fixed assets is provided at rates estimated to write off the cost less estimated Residual value of each asset over its expected useful life as follows:

Plant and machinery	20% on cost
Fixtures and fittings	20% on cost
Motor vehicles	25% on cost

(d) *Work in progress*

Work in progress is stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the work in progress to their present location and condition, including where appropriate, a proportion of manufacturing overheads.

(e) *Deferred taxation*

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable.

(f) *Leasing and hire purchase commitments*

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet And are depreciated over their useful lives.

The interest element of the rental obligations is charged to profit and loss account over the period of the lease (and represents a constant proportion of the balance of capital repayments outstanding).

2. TURNOVER

The company derived all of its turnover from supplies within the UK.

3. OPERATING PROFIT

	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
The operating profit is stated after charging:		
Depreciation:		
- owned assets	2,882	307
- assets on hire purchase contracts	1,430	1,430
Operating lease rentals	24,689	11,544
Equipment hire	3,903	2,600

CAPITAL FLOORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2002 (CONTINUED)

4. EMPLOYEE INFORMATION

The average number of employees during the year was 7. Due to the size of the company there is no formal classification of duties.

	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
Their total remuneration was:-		
Wages and salaries	182,427	147,187
Social security costs	14,818	13,618
	197,245	160,805

5. DIRECTORS EMOLUMENTS

	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
Emoluments	31,884	19,828

6. TAXATION

	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
Corporation tax at the rate of 20% (2001 20%)	910	12,740
Deferred taxation	-	-
	910	12,740

The taxation charge for the year has been affected by the disallowance of certain expenditure.

7. INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
Bank loans and overdrafts	101	210
Finance leases and hire purchase contracts	684	487
	785	697

CAPITAL FLOORS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2002(CONTINUED)****8. DIVIDENDS**

	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
Paid	-	32,000
Proposed	-	-
	-	32,000

9. TANGIBLE FIXED ASSETS

	<u>Plant & machinery</u>	<u>Fixtures & fittings</u>	<u>Motor vehicles</u>	<u>Totals</u>
Cost or valuation				
At 1 st July, 2001	1,566	3,494	10,424	15,484
Additions	2,815	808	-	3,623
At 30 th June, 2002	4,381	4,302	10,424	19,107
Depreciation				
At 1 st July, 2001	371	714	3,474	4,559
Charge for the year	876	830	2,606	4,312
At 30 th June, 2002	1,247	1,544	6,080	8,871
NET BOOK VALUE				
At 30 th June, 2002	3,134	2,758	4,344	10,236
At 30 th June, 2001	1,199	2,780	6,950	10,929

10. WORK IN PROGRESS

	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
Stock and work in progress	244,962	115,467

CAPITAL FLOORS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30TH JUNE, 2002 (CONTINUED)**11. DEBTORS AND PREPAYMENTS**

	<u>2002</u> £	<u>2001</u> £
Trade debtors	32,018	149,144
Other debtors	35,985	727
	68,003	149,871

12. CREDITORS: Amounts falling due within one year

	<u>2002</u> £	<u>2001</u> £
Bank overdraft	24,418	-
Trade creditors	196,041	134,641
Directors current accounts	68,400	78,306
Social security and other taxes	3,826	9,312
Hire purchase liability (note 19)	3,930	1,355
Accrued expenses	2,923	15,112
Other creditors	-	13,822
Corporation tax	910	12,740
	300,448	265,288

13. CREDITORS: Amounts falling due after more than one year

	<u>2002</u> £	<u>2001</u> £
Obligation under finance leases and hire purchase contracts (note 19)	-	4,741
Amounts repayable by instalments:-		
Between one and two years	-	4,741
Between two and five years	-	-
After five years	-	-
	-	4,741

CAPITAL FLOORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE, 2002 (CONTINUED)

14. PROVISIONS FOR LIABILITIES AND CHARGES

	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
<i>Deferred taxation</i>		
Balance brought forward	-	-
Amounts transferred to the profit and loss account in the year	-	-
Balance carried forward	-	-

Provision for deferred taxation has been made in these financial statements in accordance with the accounting policy described in Note 1(e). The amounts provided and the full potential liability are as follows:

	<u>Amount</u> <u>provided</u> <u>£</u>	<u>2002</u> <u>Potential</u> <u>liability</u> <u>£</u>	<u>Amount</u> <u>provided</u> <u>£</u>	<u>2001</u> <u>Potential</u> <u>liability</u> <u>£</u>
Short-term timing differences	-	-	-	-
Accelerated capital allowances	-	-	-	-
	-	-	-	-

15. CALLED UP SHARE CAPITAL

	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
Authorised 1,000 ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid 8 ordinary shares of £1 each	8	8

16. CAPITAL COMMITMENTS

	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
Expenditure contracted but not provided in the financial statements	Nil	Nil

CAPITAL FLOORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2002 (CONTINUED)

17. **TRANSACTIONS WITH DIRECTORS**

Included in other creditors is an amount of £40,946 due to Amber Floors Limited, a company beneficially owned by G. Waring and of which G. Waring is a director (2001 £13,822).

During the year Capital Floors Limited purchased goods and services to a value of £101,931 (2001 £5,748) from Amber Floors Limited and made sales of £5,386 to Amber Floors Limited (2001 £nil)

18. **CONTINGENT LIABILITIES**

As at 30th June, 2002 the company had no contingent liabilities not provided for within these accounts.

19. **FUTURE FINANCIAL COMMITMENTS**

(a) *Operating leases*

At 30th June, 2002 the company had annual commitments under operating leases as set out below:

	<u>2002</u>		<u>2001</u>	
	<u>Land and buildings</u>	<u>Other</u>	<u>Land and buildings</u>	<u>Other</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Operating leases which expire:-				
(a) within one year	17,500	11,337	2,756	8,944
(b) in the second to fifth year	52,500	10,110	-	13,499
(c) after five years	-	-	-	-
	70,000	21,447	2,756	22,443

The majority of leases of land and buildings are subject to rent reviews. The company's total future financial commitments under operating leases are £91,447 (2001 £25,199).

(b) *Finance leases*

At 30th June, 2002 the company had obligations under finance leases and hire purchase contracts which are set out below:-

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Gross amount payable:		
Within one year	4,340	1,355
Between one and two years	-	5,251
Between two and five years	-	-
	4,340	6,606
<u>Less</u> Finance charges allocated to future periods	410	510
	3,930	6,096