

**WORLD OF CARPETS (READING) LIMITED**

**ABBREVIATED  
FINANCIAL STATEMENTS**

**YEAR ENDED 31 MAY 1996**

**REID WILLIAMS  
CHARTERED ACCOUNTANTS  
READING**



# WORLD OF CARPETS (READING) LIMITED

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# **WORLD OF CARPETS (READING) LIMITED**

## **AUDITORS' REPORT TO WORLD OF CARPETS (READING) LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

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We have examined the abbreviated financial statements on pages 3 to 5 together with the financial statements of World of Carpets (Reading) Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 May 1996.

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

### **BASIS OF OPINION**

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

### **OPINION**

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 May 1996, and the abbreviated financial statements on pages 3 to 5 have been properly prepared in accordance with that Schedule.

### **OTHER INFORMATION**

On 11 September 1996 we reported, as auditors of World of Carpets (Reading) Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 May 1996, and our audit report was as follows:

"We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

### **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.

# **WORLD OF CARPETS (READING) LIMITED**

## **AUDITORS' REPORT TO WORLD OF CARPETS (READING) LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985**

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### **OPINION**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 May 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."



**REID WILLIAMS**

11 September 1996

**Chartered Accountants and  
Registered Auditors**

Prince Regent House  
108 London Street  
Reading, Berks.

# WORLD OF CARPETS (READING) LIMITED

## ABBREVIATED BALANCE SHEET

31 MAY 1996

	Notes	£	1996 £	£	1995 £
<b>ASSETS EMPLOYED:</b>					
<b>FIXED ASSETS</b>					
Tangible assets	2		37,007		23,242
<b>CURRENT ASSETS</b>					
Stocks		80,089		71,745	
Debtors		5,866		4,406	
Cash at bank and in hand		34,232		33,026	
		120,187		109,177	
<b>CREDITORS: amounts falling due within one year</b>	3	(75,948)		(62,871)	
<b>NET CURRENT ASSETS</b>			44,239		46,306
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			81,246		69,548
<b>CREDITORS: amounts falling due after more than one year</b>	4		(12,047)		-
			69,199		69,548
<b>FINANCED BY:</b>					
<b>CAPITAL AND RESERVES</b>					
Called up share capital	5		50,002		50,002
Profit and loss account			19,197		19,546
<b>Shareholders' Funds</b>			69,199		69,548

In preparing these abbreviated financial statements:

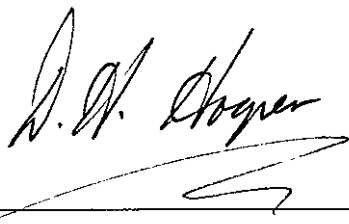
- (a) Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985, and
- (b) In the directors' opinion the company is entitled to these exemptions as a small company.

In preparing the company's annual financial statements:

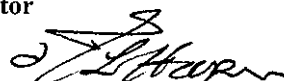
- (a) Advantage has been taken of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985, and
- (b) In the directors' opinion the company is entitled to these exemptions as a small company.

The financial statements were approved by the Board on 11 September 1996

D H Hooper  
Director



M L Hooper  
Director



# **WORLD OF CARPETS (READING) LIMITED**

## **NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS YEAR ENDED 31 MAY 1996**

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### **1 ACCOUNTING POLICIES**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention, with assets carried in the balance sheet at or below the costs incurred at their dates of acquisition and without regard to their replacement cost.

#### **1.2 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### **1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	Straight line basis over the lease term
Fixtures, fittings & equipment	15% on the reducing balance
Motor vehicles	20% on the reducing balance

#### **1.4 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **1.5 Stock**

Stock is valued at the lower of cost and net realisable value.

#### **1.6 Pensions**

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

#### **1.7 Deferred taxation**

Provision is made for deferred taxation to take account of short-term timing differences between the calculation of profit for taxation and accounting purposes. No such provision is currently necessary.

# WORLD OF CARPETS (READING) LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS YEAR ENDED 31 MAY 1996

### 2 FIXED ASSETS

	Total £
<b>Cost</b>	
At 1 June 1995	91,912
Additions	33,226
Disposals	(36,650)
At 31 May 1996	88,488
<b>Depreciation</b>	
At 1 June 1995	68,669
On disposals	(27,025)
Charge for the year	9,837
At 31 May 1996	51,481
<b>Net book value</b>	
At 31 May 1996	37,007
At 31 May 1995	23,242

### 3 CREDITORS : amounts falling due within one year

The aggregate amount of creditors falling due within one year for which security has been given amounted to £6000 (1995 - £-).

### 4 CREDITORS : amounts falling due after more than one year

The aggregate amount of creditors falling due after more than one year for which security has been given amounted to £12,047 (1995 - £-).

### 5 SHARE CAPITAL

	1996 £	1995 £
<b>Authorised</b>		
100,000 Ordinary shares of £1 each	100,000	100,000
<b>Allotted, called up and fully paid</b>		
50,002 Ordinary shares of £1 each	50,002	50,002