

TEXTILE ARTS LIMITED

REGISTERED NUMBER 2791142

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH. JUNE 2001



## TEXTILE ARTS LIMITED

### REPORT OF THE DIRECTORS

The Directors submit their report and the financial statements of the company for the year ended 30th.June 2001.

#### ACTIVITY

The principal activity of the Company is, and continues to be, the supply of textiles to the exhibition industry.

#### RESULTS AND STATE OF AFFAIRS

The financial statements on pages 5 to 14 set-out the results for the year ended 30th.June 2001 and reflect the state of the Company's affairs at that date.

The financial statements show a disappointing position but the Board is confident that profitability will be maintained in the current year.

#### PRESENTATION OF THE FINANCIAL STATEMENTS

Following the introduction of Financial Reporting Standard No.3, "Reporting Financial Performance", the Directors confirm that the financial statements conform with the new requirements. A statement of total recognised gains and losses has been presented together with a reconciliation of movements on shareholders funds.

#### DIVIDEND AND TRANSFERS TO RESERVES

The Directors do not propose to declare a dividend in respect of the year.

The profit for the year of £ 4,866 has been transferred to reserves.

#### POST BALANCE SHEET EVENTS

A fellow subsidiary company, Shortland Upholstery Limited, is to be put into liquidation.

TEXTILE ARTS LIMITED

REPORT OF THE DIRECTORS (continued)

FIXED ASSETS

Details of movements in Fixed Assets are shown in note 9 to the financial statements

DIRECTORS AND THEIR INTERESTS

The Members of the board during the year and their interests in the Company's shares were as follows:-

	Interest at end of year	Interest at beginning of year
	<u>Number of Shares</u>	<u>Number of Shares</u>
Mrs.D.J.Taylor	Nil	Nil
P.A.Levin	10	10
D.A.Taylor	Nil	Nil
S.Setterfield (appointed 3.5.01)	Nil	-

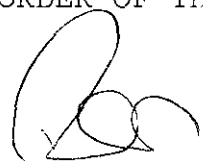
REPORTING ACCOUNTANTS

A resolution will be proposed at the forthcoming Annual General Meeting for the re-appointment of Messrs.Michael Morton & Co., who have expressed their willingness to continue in office as reporting accountants for the ensuing year.

"Strathmore" The Nap,  
Kings Langley,  
Herts., WD4 8ES.

Dated 24th. April 2002

BY ORDER OF THE BOARD

  
.....  
Secretary.

TEXTILE ARTS LIMITED

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The Directors are required by United Kingdom company law to prepare financial statements for each financial year 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 the results for that year.

The Directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the financial statements and that applicable accounting standards have been followed. The financial statements have been prepared on the "going concern" basis.

The Directors are also responsible for maintaining adequate accounting records for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE

UNAUDITED ACCOUNTS OF TEXTILE ARTS LIMITED

We report on the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set-out on page 10.

Respective Responsibilities of Directors and Reporting Accountants

As described above the Company's Directors are responsible for the preparation of the financial statements and they consider that the Company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion on these financial statements to you.

Basis of Opinion

Our work was conducted in accordance with the Statements of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as we considered necessary for the purpose of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion :-

- a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985.
- b) having regard only to, and on the basis of, the information contained in those accounting records:
  - i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249c(6) of the Act: and
  - ii) the Company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249a(4) of the Act and did not, at any time within the year, fall within any of the categories of companies not entitled to the exemption specified in section 249b(1).

"Strathmore" The Nap,  
Kings Langley,  
Herts., WD4 8ES.

Dated 25th. April 2002



Michael Morton & Co.

Chartered Accountants

TEXTILE ARTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2001

	Note	£	<u>2001</u>	£	£	2000	£
<u>Turnover</u> - continuing operations	2			522,159		543,052	
Cost of Sales - continuing operations				176,317		202,876	
				-----		-----	
<u>Gross Profit</u> - continuing operations				345,842		340,176	
(Profit)/Loss on Sale of Motor Vehicles			(3,251)			184	
Net Operating Expenses	3	340,971			299,848		
				-----		-----	
				337,720		300,032	
				-----		-----	
<u>Trading Profit</u> - continuing operations	4			8,122		40,144	
Interest Receivable	6			1		-	
Interest Payable	7			(3,109)		(2,687)	
				-----		-----	
<u>Profit on Ordinary activities before taxation</u>				5,014		37,457	
Tax on ordinary activities	8			148		6,445	
				-----		-----	
<u>Profit for the Financial Year, Retained</u>				4,866		31,012	
<u>Retained Profit Brought Forward</u>				137,166		106,154	
				-----		-----	
<u>Retained Profit Carried Forward</u>				142,032		137,166	
				=====		=====	

TEXTILE ARTS LIMITED  
BALANCE SHEET AS AT 30TH.JUNE 2001

	<u>Note</u>	<u>2001</u>	<u>2000</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible Assets	9	71,758	60,129
<u>CURRENT ASSETS</u>			
Stocks	10	32,000	30,000
Debtors	11	136,076	161,073
Cash at Bank and in Hand		18,123	19,323
		-----	-----
		186,199	210,396
<u>CREDITORS : AMOUNTS FALLING</u>			
<u>DUE WITHIN ONE YEAR</u>	12	100,968	121,730
		-----	-----
<u>NET CURRENT ASSETS</u>		85,231	88,666
		-----	-----
<u>TOTAL ASSETS LESS CURRENT</u>			
<u>LIABILITIES</u>		156,989	148,795
<u>CREDITORS : AMOUNTS FALLING</u>			
<u>DUE AFTER MORE THAN ONE YEAR</u>	13	14,857	11,529
		-----	-----
<u>NET ASSETS</u>		142,132	137,266
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called-up Share Capital	14	100	100
Profit and Loss Account		142,032	137,166
		-----	-----
.....Director		142,132	137,266
		=====	=====
.....Director			

TEXTILE ARTS LIMITED  
BALANCE SHEET (continued)  
AS AT 30TH.JUNE 2001

For the year ended 30th.June 2001 the Company was entitled to the exemption conferred by subsection (1) of section 249A of the Companies Act 1985.

No notice has been deposited under subsection (2) of section 249B of the Companies Act 1985 in relation to its accounts for the financial year.

The Directors acknowledge their responsibility for :-

- i) ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 1985, and for
- 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 to accounts, so far as applicable to the Company.

ON BEHALF OF THE BOARD

  
.....  
Director



## TEXTILE ARTS LIMITED

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains and losses other than those included in the results shown on page 5 and, therefore, no separate statement of total recognised gains and losses has been presented.

### NOTE OF HISTORICAL COST PROFITS AND LOSSES

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated on page 5 and their historical cost equivalents.

### RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>2001</u>	2000
	<u>£</u>	£
Total recognised gains and losses for the year	4,866	31,012
Shareholders' Funds at 30th.June 2000	137,266	106,254
	-----	-----
Shareholders' Funds at 30th.June 2001	142,132	137,266
	=====	=====

TEXTILE ARTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2001

	<u>Note</u>	<u>£</u>	<u>2001</u>	<u>£</u>	<u>2000</u>	<u>£</u>
Net cash movement from continuing operating activities	16		38,154		11,102	
<u>Return on investments and servicing of finance</u>						
Interest received			1		-	
Interest paid			( 3,109)		( 2,687)	
<u>Taxation</u>						
Taxation paid			( 6,418)		( 9,074)	
<u>Investment activities</u>						
Payments to acquire tangible fixed assets			( 46,078)		( 14,044)	
Proceeds from sales of tangible fixed assets			16,250		8,750	
			-----		-----	
			( 29,828)		( 5,294)	
			-----		-----	
<u>Movement in cash and cash equivalents</u>	17		( 1,200)		( 5,953)	
			=====		=====	

TEXTILE ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

30TH.JUNE 2001

1.ACCOUNTING POLICIES

The principal accounting policies adopted, which have been applied consistently, are as follows :-

a) Convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Depreciation

Depreciation is provided on all tangible fixed assets at annual rates calculated to write off the cost or valuation of each asset over its expected useful life, on a reducing balance basis, unless otherwise stated, as follows :-

	<u>Annual Rate</u>
Motor Vehicles	25%
Furniture, Fittings & Equipment	20%

c) Stocks

Stocks are valued at the lower of cost and net realisable value.

d) Foreign Currencies

Assets and liabilities in foreign currencies are converted at the rates ruling at the balance sheet date.

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

All exchange differences are charged/credited to profit and loss account.

2. TURNOVER

Turnover is the amount derived from the provision of goods and services, after deduction of trade discounts and exclusive of Value Added Tax, and is analysed as follows:

	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
United Kingdom	508,728	486,509
European Community	13,431	56,543
	-----	-----
	522,159	543,052
	=====	=====

TEXTILE ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

30TH.JUNE 2001 (continued)

3. <u>NET OPERATING EXPENSES -</u>	<u>2001</u>	<u>2000</u>
<u>CONTINUING OPERATIONS</u>	<u>£</u>	<u>£</u>
Administrative expenses	340,971	299,848
	=====	=====

4. TRADING PROFIT

The Trading Profit is stated  
after charging :-

Staff Costs	139,157	96,856
Accountants' Remuneration	600	875
Hire of Equipment	1,979	2,331
Depreciation of Tangible Fixed Assets	21,450	17,827
	=====	=====

5. STAFF COSTS

a) Staff Costs comprises :-

Wages and salaries	126,057	87,840
Social Security Costs	13,100	9,016
	-----	-----
	139,157	96,856
	=====	=====

b) Employees

The average weekly number of employees  
during the year was 6. Due to the size  
of the Company there is no formal  
analysis of the staff.

c) Directors' Remuneration

Directors' Remuneration included  
in Staff Costs consists of :

Fees	27,558	-
	=====	=====

TEXTILE ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED  
30TH JUNE 2001 (continued)

	<u>2001</u> £	2000 £
6. <u>INTEREST RECEIVABLE</u>		
Interest on overpaid taxation	1	-
	=====	=====
7. <u>INTEREST PAYABLE</u>		
Interest on bank loans and overdrafts and other loans repayable within 5 year	2,948	2,687
Interest on overdue taxation	161	-
	-----	-----
	3,109	2,687
	=====	=====
8. <u>TAX ON ORDINARY ACTIVITIES</u>		
United Kingdom corporation tax payable on results for the year @ 10%	100	6,445
Underprovision in prior year	48	-
	-----	-----
	148	6,445
	=====	=====

9. TANGIBLE FIXED ASSETS

	<u>Plant &amp; Machinery</u> £	<u>Motor Vehicles</u> £	<u>Furniture Fittings Equipment</u> £	Total £
<u>Cost:</u>				
At beginning of year	-	78,037	57,977	136,014
Additions	7,750	35,621	2,707	46,078
Disposals	-	(23,109)	-	(23,109)
	-----	-----	-----	-----
At end of year	7,750	90,549	60,684	158,983
	=====	=====	=====	=====
<u>Depreciation:</u>				
At beginning of year	-	44,508	31,377	75,885
Provided for year	1,550	14,038	5,862	21,450
On disposals	-	(10,110)	-	(10,110)
	-----	-----	-----	-----
At end of year	1,550	48,436	37,239	87,225
	=====	=====	=====	=====
<u>Net Book Value:</u>				
At beginning of year	-	33,529	26,600	60,129
	=====	=====	=====	=====
At end of year	6,200	42,113	23,445	71,758
	=====	=====	=====	=====

TEXTILE ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

30TH.JUNE 2001 (continued)

	<u>2001</u> £	2000 £
<u>10.STOCKS</u>		
Raw materials, consumables and finished goods for resale	32,000	30,000
	=====	=====
<u>11.DEBTORS</u>		
Holding Company and Fellow Subsidiaries	13,414	23,432
Trade Debtors	116,412	132,753
Other Debtors	542	400
Prepayments and Accrued Income	5,708	4,488
	-----	-----
	136,076	161,073
	=====	=====
<u>12.CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
Trade Creditors	38,161	44,686
Amounts owed to Group Undertakings	16,565	26,791
Current corporation tax	-	6,270
Other Taxation and Social Security	21,810	23,744
Other creditors	23,332	18,989
Accruals and Deferred Income	1,100	1,250
	-----	-----
	100,968	121,730
	=====	=====
<u>13.CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>		
Secured Loans repayable within 5 years	14,857	11,529
	=====	=====
<u>13.CALLED UP SHARE CAPITAL</u>		
<u>Authorised</u>		
1,000 Ordinary shares of £1 each	1,000	1,000
	=====	=====
<u>Issued and Fully Paid</u>		
100 Ordinary shares of £1 each	100	100
	=====	=====

TEXTILE ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

30TH JUNE 2001

15. HOLDING COMPANY

The ultimate Holding Company is Datex Holdings Limited which is incorporated in the United Kingdom.

16. DIRECTORS' INTERESTS

At the Balance Sheet date the Directors were owed a total of £ 4,413 on current account. There are no fixed terms for interest or repayment.

	<u>2001</u> £	2000 £
<u>17. RECONCILIATION OF OPERATING PROFIT</u> <u>WITH NET CASH MOVEMENT FROM OPERATING</u> <u>ACTIVITIES</u>		
<u>Continuing Activities</u>		
Trading profit	8,122	40,144
Depreciation Charges	21,450	17,827
(Profit)/Loss on sale of Fixed Assets	( 3,251)	184
Movement in Stocks	( 2,000)	-
Movement in Debtors	24,997	(34,609)
Movement in Creditors	(11,164)	(12,444)
	-----	-----
<u>Net cash movement from operating</u> <u>activities</u>	38,154	11,102
	=====	=====

18. ANALYSIS OF CHANGES IN CASH AND CASH  
EQUIVALENTS DURING THE PERIOD

Balance at beginning of year	19,323	25,276
Net Cash Movement	( 1,200)	( 5,953)
	-----	-----
Balance at end of year	18,123	19,323
	=====	=====

TEXTILE ARTS LIMITED

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

30TH. JUNE 2001

	<u>2001</u> £	2000 £
<u>COST OF SALES :-</u>		
Stock as at 1st. July 2000	30,000	30,000
Purchases and Subcontractors	176,338	200,545
Hire of Equipment	1,979	2,331
	-----	-----
	208,317	232,876
Stock as at 30th. June 2001	32,000	30,000
	-----	-----
	176,317	202,876
	=====	=====
<u>ADMINISTRATIVE EXPENSES</u>		
Staff Costs	139,157	96,856
Management Services	106,000	104,000
Telephone & Fax	7,057	8,291
Insurance	-	4,523
Motor and Travelling Expenses	26,724	37,189
Entertaining	1,587	994
Postage, Stationery and Carriage	17,894	12,277
Computer Expenses	1,003	-
Advertising and Promotion	5,349	5,455
General Expenses	3,829	2,649
Repairs and Renewals	192	1,096
Cleaning and Refuse	-	560
Audit and Accountancy	3,223	3,45
Bank Charges	2,085	1,
Bad Debts	5,421	
Depreciation	21,450	
	-----	
	340,971	
	=====	