

TEXTILE ARTS LIMITED

REGISTERED NUMBER 02791142

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH.JUNE 1997



TEXTILE ARTS LIMITED  
REPORT OF THE DIRECTORS

The Directors submit their Report and the audited Financial Statements of the Company for the year ended 30th.June 1997.

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 13 set out the results for the year ended 30th.June 1996 and reflect the state of the Company's affairs at that date.

Turnover is currently running at a higher level than last year and it is hoped the Company will remain profitable.

There have been no material acquisitions or discontinued operations which would have required separate disclosure.

The Company's name was changed from Datex Display Limited on 10th.November 1997.

DIVIDENDS AND TRANSFERS TO RESERVES

The Directors do not propose to declare any dividends in respect of the year.

The profit for the year of £47,067 has been transferred to reserves.

TEXTILE ARTS LIMITED

REPORT OF THE DIRECTORS (continued)

FIXED ASSETS

Details of movements in Fixed Assets are shown in Note 8 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 30.6.97	Interest at 1.7.96
	<u>Number of shares</u>	<u>Number of shares</u>
Mrs.D.J.Taylor	Nil	Nil
P.A.Levin	10	10

AUDITORS

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 auditors for the ensuing year.

24,Mildred Avenue,  
Watford,  
Herts., WD1 7DZ.

BY ORDER OF THE BOARD

DATED.10th.February 1998

  
.....  
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 records for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

## THEORY OF THE EARTH

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The theory of the earth is a branch of geology which deals with the origin and development of the earth and its various parts. It is a science which seeks to explain the processes which have shaped the earth and its various parts. The theory of the earth is a branch of geology which deals with the origin and development of the earth and its various parts. It is a science which seeks to explain the processes which have shaped the earth and its various parts.

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REPORT OF THE AUDITORS TO THE MEMBERS OF

TEXTILE ARTS LIMITED

We have audited the financial statements on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described above the Company's Directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, of these 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 mis-statement, 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 affairs of the Company as at 30th. June 1997 and of its profit, total recognised gains/losses and cash flows, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Michael Morton & Co.  
Registered Auditors  
Chartered Accountants

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

Dated 11th. February 1998

TEXTILE ARTS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH.JUNE 1997

	<u>Notes</u>	<u>£</u> <u>1997</u>	<u>£</u> <u>1996</u>
<u>Turnover</u> - continuing operations	2	451,553	280,755
Cost of Sales - continuing operations		193,865	131,231
		-----	-----
<u>Gross Profit</u>		257,688	149,524
Net operating expenses	3	192,865	123,783
Net (Profit)/Loss on sale of Fixed Assets - continuing operations		( 1,874)	3,496
		-----	-----
		190,991	127,279
		-----	-----
<u>Trading Profit</u> - continuing operations	4	66,697	22,245
Interest payable	6	4,873	4,637
		-----	-----
<u>Profit on Ordinary Activities before Taxation</u>		61,824	17,608
Tax on Ordinary Activities	7	(14,757)	(5,365)
		-----	-----
<u>Profit Retained for the Financial Year</u>		47,067	12,243
<u>Retained Profit brought forward</u>		13,745	1,502
		-----	-----
<u>Retained Profit carried forward</u>		60,812	13,745
		=====	=====

TEXTILE ARTS LIMITED

BALANCE SHEET AS AT 30TH.JUNE 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible Assets	8	68,118	48,250
<u>CURRENT ASSETS</u>			
Stocks	9	20,000	15,000
Debtors	10	90,169	63,241
Cash at bank and in Hand		33,711	13,977
		-----	-----
		143,880	92,218
<u>CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	11	125,224	113,264
		-----	-----
<u>NET CURRENT ASSETS/ (LIABILITIES)</u>		18,656	(21,046)
		-----	-----
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		86,774	27,204
<u>CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	12	25,862	13,359
		-----	-----
<u>NET ASSETS</u>		60,912	13,845
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called up Share Capital	13	100	100
Profit and Loss Account		60,812	13,745
		-----	-----
.....Director		60,912	13,845
.....Director		=====	=====
Dated 10th.February 1998			



# 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 equivalents.

## RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
Total recognised gains and losses for the year	47,067	12,243
Shareholders' Funds at 1st.July 1996	13,845 -----	1,602 -----
Shareholders' Funds at 30th.June 1997	60,912 =====	13,845 =====

TEXTILE ARTS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH.JUNE 1997

	<u>Note</u>	<u>1997</u>	<u>1996</u>
		<u>£</u>	<u>£</u>
Net cash movement from continuing operating activities	16	68,784	27,772
Returns on investment and servicing of finance			
Interest paid		( 4,873)	(4,637)
Corporation tax paid		( 4,748)	(2,041)
Investing Activities			
Payments to acquire tangible Fixed Assets	(73,008)		(26,231)
Receipts from sales of tangible Fixed Assets	33,579		16,000
		-----	-----
<u>Net cash (outflow) from investing activities</u>		(39,429)	(10,231)
		-----	-----
<u>Movement in cash and cash equivalents</u>	17	19,734	10,863
		=====	=====

TEXTILE ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

30TH.JUNE 1997

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, as follows :-

	<u>Annual Rate</u>
Motor Vehicles	25%
Furniture, Fittings and Equipment	20%
Improvements to Offices	Nil

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.

e) Deferred Taxation

The charge for taxation is based on the results for the year and takes account of taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. No provision is made for deferred taxation where there is reasonable evidence that the timing differences will not reverse in the foreseeable future.

TEXTILE ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

30TH.JUNE 1997 (continued)

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>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
United Kingdom	431,689	236,747
European Community	19,864	44,008
	-----	-----
	451,553	280,755
	=====	=====

3.NET OPERATING EXPENSES - CONTINUING OPERATIONS

Administrative expenses	192,865	123,783
	=====	=====

4.TRADING PROFIT

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

Staff costs	48,870	50,375
Auditors' remuneration	600	500
Hire of Equipment	449	103
Depreciation of tangible owned fixed assets	21,435	14,844
	=====	=====

5.STAFF COSTS

a) Staff costs comprises :

Wages and Salaries	44,259	45,712
Social Security costs	4,611	4,663
	-----	-----
	48,870	50,375
	=====	=====

b) Employees

The average number of employees during the year was 4. Due to the size of the company there is no formal analysis of the staff.

TEXTILE ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

30TH.JUNE 1997 (continued)

<u>5. STAFF COSTS (continued)</u>		<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
c) <u>Directors' Remuneration</u>			
Directors' Remuneration is included in staff costs and consists of :			
Fees		21,000	20,000
		=====	=====
<u>6. INTEREST PAYABLE</u>			
Interest on secured loans repayable within five years		4,873,	4,637
		=====	=====
<u>7. TAX ON ORDINARY ACTIVITIES</u>			
United Kingdom corporation tax (payable) for the year @ 24%/21%		(15,374)	(5,365)
Overprovision in prior year		617	-
		-----	-----
		(14,757)	(5,365)
		=====	=====
<u>8. TANGIBLE FIXED ASSETS</u>			
	<u>Furniture Fittings &amp; Equipment</u> <u>£</u>	<u>Motor Vehicles</u> <u>£</u>	<u>Total</u> <u>£</u>
<u>Cost</u>			
At beginning of year	26,956	52,931	79,887
Additions	4,219	68,789	73,008
Disposals	-	(48,841)	(48,841)
	-----	-----	-----
At end of year	31,175	72,879	104,054
	=====	=====	=====
<u>Depreciation</u>			
At beginning of year	12,108	19,529	31,637
Provided for year	3,814	17,621	21,435
On disposals	-	(17,136)	(17,136)
	-----	-----	-----
At end of year	15,922	20,014	35,936
	=====	=====	=====
<u>Net Book Value</u>			
At beginning of year	14,848	33,402	48,250
	=====	=====	=====
At end of year	15,253	52,865	68,118
	=====	=====	=====

TEXTILE ARTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

30TH.JUNE 1997 (continued)

9. <u>STOCKS</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
Raw materials, consumables and finished good for resale	20,000	15,000
	=====	=====
10. <u>DEBTORS</u>		
Holding Company	11,309	2,505
Trade debtors	76,766	60,009
Other debtors	617	-
Prepayments and accrued income	1,477	727
	-----	-----
	90,169	63,241
	=====	=====
11. <u>CREDITORS</u> : <u>Amounts falling due within</u> <u>one year</u>		
Trade creditors	47,890	42,962
Amounts owed to group undertakings	6,316	5,297
Current corporation tax	15,374	5,337
Other taxation and social security costs	13,602	14,152
Other creditors	35,566	45,016
Accruals and deferred income	6,476	500
	-----	-----
	125,224	113,264
	=====	=====
12. <u>CREDITORS</u> : <u>Amounts falling due after</u> <u>more than one year</u>		
Secured Loans repayable within 5 years	25,862	13,359
	=====	=====
13. <u>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
	=====	=====

30TH.JUNE 1997 (continued)