

Company Registration No. 00534941 (England and Wales)

CAPITOL CARPETS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

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CAPITOL CARPETS LIMITED

COMPANY INFORMATION

Directors	C A Crow D E R Crow J Crow A T Crow T Crow
Secretary	C A Crow
Company number	00534941
Registered office	104 Beddington Lane Croydon Surrey Great Britain CR0 4TB
Auditors	Bryden Johnson Kings Parade Lower Coombe Street Croydon Surrey CR0 1AA
Business address	104 Beddington Lane Croydon Surrey Great Britain CR0 4TB

CAPITOL CARPETS LIMITED

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CAPITOL CARPETS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and financial statements for the year ended 31 December 2006

Principal activities

The principal activity of the company continued to be that of retail sale of carpets and floor coverings

Directors

The following directors have held office since 1 January 2006

C A Crow
D E R Crow
J Crow
A T Crow
T Crow

Directors' interests

The directors' interests in the shares of the company were as stated below

	Ordinary 'A' shares of £1 each	
	31 December 2006	1 January 2006
D E R Crow	-	-
J Crow	-	-
C A Crow	2,675	2,675
A T Crow	2,675	2,675
T Crow	2,675	2,675

	Ordinary 'B' shares of £1 each	
	31 December 2006	1 January 2006
D E R Crow	1,875	1,875
J Crow	1,925	1,925
C A Crow	-	-
A T Crow	-	-
T Crow	-	-

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Bryden Johnson be reappointed as auditors of the company will be put to the Annual General Meeting

CAPITOL CARPETS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2006

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume 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.

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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



C A Crow

Director

22 June 2007

CAPITOL CARPETS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF CAPITOL CARPETS LIMITED

We have audited the financial statements of Capitol Carpets Limited for the year ended 31 December 2006 set out on pages 5 to 11. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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.

CAPITOL CARPETS LIMITED

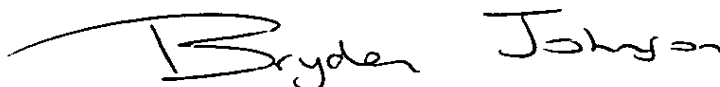
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF CAPITOL CARPETS LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2006 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



Bryden Johnson

22 June 2007

Chartered Accountants

Registered Auditor

Kings Parade
Lower Coombe Street
Croydon
Surrey
CR0 1AA

CAPITOL CARPETS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Turnover		1,138,108	1,358,963
Cost of sales		(721,009)	(799,830)
Gross profit		417,099	559,133
Administrative expenses		(446,592)	(453,423)
Operating (loss)/profit	2	(29,493)	105,710
Other interest receivable and similar income	3	1,688	2,333
Interest payable and similar charges		(367)	(763)
(Loss)/profit on ordinary activities before taxation		(28,172)	107,280
Tax on (loss)/profit on ordinary activities	4	4,876	(14,991)
(Loss)/profit for the year	11	(23,296)	92,289

CAPITOL CARPETS LIMITED

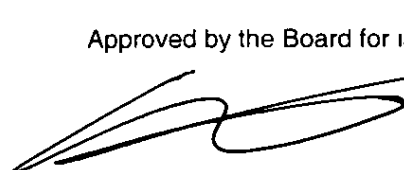
BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	2006 £	£	2005 £	£
Fixed assets					
Tangible assets	6		161,532		170,059
Current assets					
Stocks		65,415		63,500	
Debtors	7	80,814		53,386	
Cash at bank and in hand		-		103,610	
		<u>146,229</u>		<u>220,496</u>	
Creditors: amounts falling due within one year	8	<u>(144,769)</u>		<u>(126,633)</u>	
Net current assets			1,460		93,863
Total assets less current liabilities			<u>162,992</u>		<u>263,922</u>
Capital and reserves					
Called up share capital	10		12,200		12,200
Other reserves	11		43,130		43,130
Profit and loss account	11		107,662		208,592
Shareholders' funds			<u>162,992</u>		<u>263,922</u>

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 January 2005)

Approved by the Board for issue on 22 June 2007



C A Crow
Director



A T Crow
Director

CAPITOL CARPETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005)

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

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

1.4 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

Land and buildings Leasehold	Over the period of the lease
Leasehold improvements	Over the period of the lease
Fixtures, fittings & equipment	10% reducing balance basis
Motor vehicles	25% reducing balance basis

1.5 Stock

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

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes

2 Operating (loss)/profit	2006	2005
	£	£
Operating (loss)/profit is stated after charging		
Depreciation of tangible assets	10,118	12,257
Auditors' remuneration	4,000	3,850
Directors' emoluments	56,574	55,317

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 5 (2005 - 5)

CAPITOL CARPETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

3	Investment income	2006	2005
		£	£
	Bank interest	1,688	2,296
	Other interest	-	37
		<u>1,688</u>	<u>2,333</u>
4	Taxation	2006	2005
		£	£
	Domestic current year tax		
	U K corporation tax	-	14,991
	Adjustment for prior years	(4,876)	-
	Current tax charge	<u>(4,876)</u>	<u>14,991</u>
5	Dividends	2006	2005
		£	£
	Ordinary interim paid	<u>77,634</u>	<u>57,151</u>

CAPITOL CARPETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

6 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2006	179,528	173,678	353,206
Additions	-	1,592	1,592
	<hr/>	<hr/>	<hr/>
At 31 December 2006	179,528	175,270	354,798
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 January 2006	53,180	129,967	183,147
Charge for the year	2,855	7,264	10,119
	<hr/>	<hr/>	<hr/>
At 31 December 2006	56,035	137,231	193,266
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2006	123,493	38,039	161,532
	<hr/>	<hr/>	<hr/>
At 31 December 2005	126,348	43,711	170,059
	<hr/>	<hr/>	<hr/>

The net book value of other tangible fixed assets includes £- (2005 - £5,602) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £- (2005 - £1,867) for the year.

7 Debtors

	2006 £	2005 £
Trade debtors	75,698	53,386
Other debtors	5,116	-
	<hr/>	<hr/>
	80,814	53,386
	<hr/>	<hr/>

CAPITOL CARPETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

8	Creditors amounts falling due within one year	2006 £	2005 £
	Bank loans and overdrafts	23,591	-
	Net obligations under hire purchase contracts	-	1,965
	Trade creditors	41,596	35,434
	Taxation and social security	28,691	49,000
	Other creditors	50,891	40,234
		<u>144,769</u>	<u>126,633</u>

The bank overdraft is secured by a legal charge over the Leasehold Property owned by the company

9 Pension costs

Defined contribution

	2006 £	2005 £
Contributions payable by the company for the year	<u>3,531</u>	<u>2,640</u>

10 Share capital

Authorised

	2006 £	2005 £
10,000 Ordinary 'A' shares of £1 each	10,000	10,000
5,000 Ordinary 'B' shares of £1 each	5,000	5,000
	<u>15,000</u>	<u>15,000</u>

Allotted, called up and fully paid

	2006 £	2005 £
8,025 Ordinary 'A' shares of £1 each	8,025	8,025
4,175 Ordinary 'B' shares of £1 each	4,175	4,175
	<u>12,200</u>	<u>12,200</u>

CAPITOL CARPETS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

11 Statement of movements on reserves

	Other reserves (see below) £	Profit and loss account £
Balance at 1 January 2006	43,130	208,592
Loss for the year	-	(23,296)
Dividends paid	-	(77,634)
	<hr/>	<hr/>
Balance at 31 December 2006	43,130	107,662
	<hr/>	<hr/>
Other reserves		
Capital redemption reserve		
Balance at 1 January 2006 & at 31 December 2006	43,130	
	<hr/>	

12 Auditors' Ethical Standards

The relevant circumstances requiring disclosure in accordance with the requirements of APB Ethical Standard - Provisions Available for Small Entities are

In common with many businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements

13 Control

There is no ultimate controlling party

14 Related party transactions

During the year, the company paid rent for the sum of £30,000 (2005 - £20,000) for a property jointly owned by the directors C A Crow, A T Crow and his spouse

Within other creditors is an amount of £1,875 each owed to C A Crow, A T Crow and T Crow, the directors of the company