

1322580

G. J. VAGG (FLOORING) LIMITED

FINANCIAL STATEMENTS

31 AUGUST 1996



BENSON AND HINCHLIFFE

ACCOUNTANTS

138a High Street

Selsey

West Sussex PO20 0QE

G. J. VAGG (FLOORING) LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31 AUGUST 1996

The Director presents his Report and the Financial Statements for the Year ended 31 August 1996.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the Director 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 and Loss of the Company for that Period. In preparing those financial statements, the Director is 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 Director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the Financial Statements comply with the Companies Act 1985. He is 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.

PRINCIPAL ACTIVITY

The Company's Principal Activity continues to be that of Flooring Contractors and the Company also operates a Retail Shop. The Director regards these activities as a single class of business.

DIRECTOR

The Director at 31 August 1996 and his interest in the Share Capital of the Company was as follows:

	<u>Ordinary Shares of £1 each</u>	
	<u>31 August 1996</u>	<u>31 August 1995</u>
G.J. Vagg Esq	4051	4051

AUDITORS

The Auditors, Messrs. Benson and Hinchliffe will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

This Report, which has been prepared taking advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985 was approved by the Board on and signed on its behalf.


SECRETARY

AUDITORS REPORT TO THE SHAREHOLDERS OF

G.J. VAGG (FLOORING) LIMITED

We have Audited the Financial Statements on Pages 3 to 9 which have been prepared under the Historical Cost Convention.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described on Page 1 the Company's Director is 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.

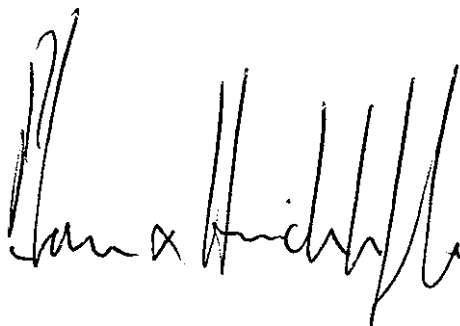
BASIS OF OPINION

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 Director 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.

OPINION

In our opinion, the Financial Statements give a true and fair view of the state of the Company's affairs as at 31 August 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.

A handwritten signature in dark ink, appearing to read 'Benson & Hinchliffe', is written over a horizontal line.

Benson and Hinchliffe
Accountants and Registered Auditors
138a High Street
Selsey
West Sussex
PO20 0QE

26 June 1997

G. J. VAGG (FLOORING) LIMITED - Company No: 1322580

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 1996

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
TURNOVER	740989	607787
ADMINISTRATION EXPENSES	<u>682755</u>	<u>565793</u>
	58234	41994
APPROPRIATION EXPENSES	<u>25474</u>	<u>22238</u>
PROFIT on Ordinary Activities before Taxation	32760	19756
TAXATION	<u>7738</u>	<u>3554</u>
PROFIT on Ordinary Activities after Taxation	25022	16202
UNAPPROPRIATED PROFIT Brought Forward	<u>40234</u>	<u>24032</u>
UNAPPROPRIATED PROFIT Carried Forward	<u>65256</u>	<u>40234</u>

None of the Company's Activities were acquired or discontinued during the two Financial Years.

There were no recognised Gains and Losses for 1995 and 1996 other than those included in the Profit and Loss Account.

The Notes on Pages 5 to 9 form part of these Financial Statements.

G. J. VAGG (FLOORING) LIMITED - Company No: 1322580

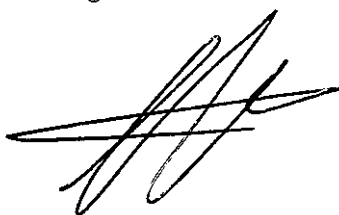
BALANCE SHEET AS AT 31 AUGUST 1996

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>		
Tangible Assets	20644	10216
<u>CURRENT ASSETS</u>		
Stock	59513	81224
Debtors	133787	83757
Cash in Hand	<u>163</u>	<u>31</u>
	193463	165012
<u>CREDITORS</u> Amounts Falling Due Within One Year	<u>135220</u>	<u>121363</u>
<u>NET CURRENT ASSETS</u>	<u>58243</u>	<u>43649</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>	<u>78887</u>	<u>53865</u>
<u>CREDITORS</u> Amounts Falling Due After One Year	<u>9531</u>	<u>9531</u>
<u>NET ASSETS</u>	<u>69356</u>	<u>44334</u>
<u>CAPITAL AND RESERVES</u>		
Called Up Share Capital	4100	4100
Profit and Loss Account	<u>65256</u>	<u>40234</u>
	<u>69356</u>	<u>44334</u>

The Director has taken advantage in the preparation of these Financial Statements of the exemption available under Part 1 of Schedule 8 to the Companies Act 1985 on the grounds that the Company qualifies as a Small Company by virtue of Section 247 of the Companies Act 1985.

The Financial Statements were approved by the Board on the
signed on its behalf.

and



DIRECTOR

The Notes on Pages 5 to 9 form part of these Financial Statements.

G. J. VAGG (FLOORING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 AUGUST 1996

ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's Financial Statements.

BASIS OF ACCOUNTING

These Financial Statements have been prepared under the historical cost accounting rules.

TURNOVER

Turnover represents the net amount invoiced to customers, excluding Value Added Tax.

DEPRECIATION

Leasehold property is not depreciation. All other Fixed Assets are written off on the reducing balance method, over their expected useful lives, at the following annual rates :

Plant and Equipment	25%
Motor Vehicles	25%

STOCK AND WORK IN PROGRESS

Stock in trade and work in progress are valued on bases which are consistent from one year to another. Stock of materials, components, manufactured goods and purchases for re-sale are valued at the lower of cost and net realisable value. Work in progress and work done on site is valued at works and site cost which included an appropriate proportion of overhead expenses. Where contracts are expected to be unprofitable, full provision is made for anticipated losses.

G. J. VAGG (FLOORING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 AUGUST 1996 (Cont'd)

1. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Depreciation	6713	3238
Profit/Loss on Disposal of Motor Vehicles	(239)	-
Auditors Remuneration	815	785
Hire of Equipment	2536	872
Bank Charges and Interest	3737	4471
Hire Purchase Interest	602	50
Directors Remuneration	<u>19000</u>	<u>19000</u>
Chairman	<u>19000</u>	<u>19000</u>

G. J. VAGG (FLOORING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 AUGUST 1996 (Cont'd)

2. TAXATION

Based on Trading Profit for the Year after claiming all allowances:

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Corporation Tax	<u>7608</u>	<u>4565</u>

3. TANGIBLE FIXED ASSETS

	<u>Short Term Leasehold Property</u>	<u>Plant and Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
Cost at 31 August 1995	502	9268	26583	36353
Disposal			(26583)	
Additions	<u> </u>	<u>907</u>	<u>24645</u>	<u> </u>
Cost at 31 August 1996	502	10175	24645	35322
Depreciation at 31 August 1995	-	7965	18172	26137
Disposals			(18172)	(18172)
Provision for the Year	<u>-</u>	<u>552</u>	<u>6161</u>	<u>6713</u>
Depreciation at 31 August 1996	-	8517	6161	14678
Net Book Values:-				
31 August 1995	<u>502</u>	<u>1303</u>	<u>8411</u>	<u>10216</u>
31 August 1996	<u>502</u>	<u>1658</u>	<u>18484</u>	<u>20644</u>

G. J. VAGG (FLOORING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 AUGUST 1996 (Cont'd)

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
4. <u>STOCKS</u>		
Materials and Goods for Re-sale	4750	4500
Work in Progress	<u>54763</u>	<u>76724</u>
	<u>59513</u>	<u>81224</u>
5. <u>DEBTORS</u>		
Trade Debtors	132055	82219
Prepayments	<u>1732</u>	<u>1538</u>
	<u>133787</u>	<u>83757</u>
6. <u>CREDITORS FALLING DUE WITHIN ONE YEAR</u>		
Bank Loans and Overdrafts	35798	37240
Trade Creditors	41160	35891
Hire Purchase Instalments	12355	-
Corporation Tax	12173	7071
Social Security, Taxation and Other Creditors	<u>33734</u>	<u>41161</u>
	<u>135220</u>	<u>121363</u>
7. <u>CREDITORS FALLING DUE AFTER ONE YEAR</u>		
Directors Loans	<u>9531</u>	<u>9531</u>

G. J. VAGG (FLOORING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 AUGUST 1996 (Cont'd)

9. CALLED UP SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
<u>AUTHORISED</u>		
15000 Ordinary Shares at £1 each	<u>15000</u>	<u>15000</u>
<u>ISSUED AND FULLY PAID</u>		
4100 Ordinary Shares at £1 each	<u>4100</u>	<u>4100</u>

9. DIRECTORS LOAN ACCOUNT

	<u>G.J. Vagg Esq</u>
Brought forward at 31 August 1995	9531
Directors Remuneration	<u>19000</u>
	28531
Withdrawn	<u>19000</u>
Carried forward at 31 August 1996	<u>9531</u>

10. RECONCILIATION OF MOVEMENT ON SHAREHOLDER'S FUNDS

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Profit for Financial Year	32760	19756
Taxation	<u>7738</u>	<u>3554</u>
	25022	16202
Opening Shareholders Funds at 31 August 1995	<u>44334</u>	<u>28132</u>
Closing Shareholders Funds at 31 August 1996	<u>69356</u>	<u>44334</u>