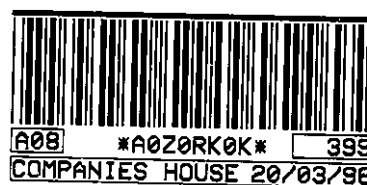


CERAMICA IMPEX LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH 1995

COMPANY REGISTRATION NUMBER: 1479217



CERAMICA IMPEX LIMITED

31ST MARCH 1995

CONTENTS	PAGE NO.
DIRECTORS' REPORT	1 - 2
REPORT OF THE AUDITORS	3 - 4
PROFIT AND LOSS ACCOUNT	5
BALANCE SHEET	6
CASH FLOW STATEMENT	7
ACCOUNTING POLICIES	8
NOTES TO THE FINANCIAL STATEMENTS	9 - 13

CERAMICA IMPEX LIMITED

DIRECTORS' REPORT

The Directors present their Report and Financial Statements for the year ended 31st March 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the Company are those of importers and distributors of ceramic tiles.

The Directors consider that both the profit and the year end financial position are satisfactory and that the Company will continue to develop its established activities.

RESULTS AND DIVIDENDS

The profit after taxation amounted to £164,261 out of which a dividend of £105,000 has been paid. The retained profit of £59,261 has been transferred to reserves.

The Directors recommend that no final dividend should be paid.

TANGIBLE FIXED ASSETS

The movements in tangible fixed assets are shown in note 6 to the Financial Statements.

TAXATION STATUS

The Company is a Close Company within the provisions of the Income and Corporation Taxes Act 1988.

DIRECTORS

The members of the Board during the year were:-

H.L. Namli

Mrs N. Baban (appointed on 4th January 1995)

M.J. Davies (resigned on 18th January 1995)

S. Kalafat (resigned on 16th May 1994).

Cont'd.....

CERAMICA IMPEX LIMITED
DIRECTORS' REPORT - CONT'D

DIRECTORS' INTERESTS IN SHARES

The Directors who held office at 31st March 1995 had the following interests in the Shares of the Company:

	<u>31st March 1995</u>	<u>On appointment or 31st March 1994</u>
H.L. Namli	100	94
Mrs N. Baban	-	-

CHARITABLE DONATIONS

The Company made charitable donations amounting to £140(1994 - £260) during the year.

DIRECTORS RESPONSIBILITIES

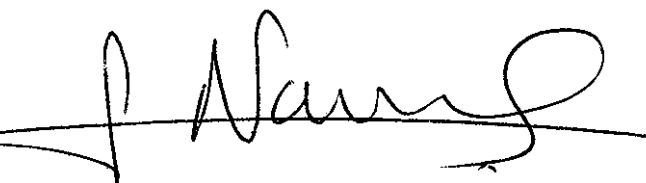
Company law requires the Directors to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these 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;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the Financial Statements;
- 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 to 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.

By Order of the Board



.....
H.L. Namli
Director
5th February 1996

REPORT OF THE AUDITORS



Sochall Smith Chartered Accountants

5/7 New York Road
Leeds LS2 7PJ

AUDITORS' REPORT TO CERAMICA IMPEX LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 13, together with the financial statements of Ceramica Impex Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st March 1995.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts 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 6 and whether the abbreviated accounts 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 accounts 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 B of Part III of Schedule 8 to the Act, in respect of the year ended 31st March 1995 and the abbreviated accounts on pages 5 to 13 have been properly prepared in accordance with that Schedule.

Other Information

On 5th February 1996 we reported, as Auditors of Ceramica Impex Limited, to the members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31st March 1995, and our Audit Report was as follows:-

REPORT OF THE AUDITORS



Sochall Smith Chartered Accountants
5/7 New York Road
Leeds LS2 7PJ

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF CERAMICA IMPEX 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 8.

Respective responsibilities of directors and auditors

As described on page 3, 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 judgments 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31st March 1995 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Registered Auditors
5th February 1996

Sochall Smith
Sochall Smith,
5 - 7 New York Road,
Leeds, LS2 7PJ

CERAMICA IMPEX LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
GROSS PROFIT		1,611,868	1,534,259
Administrative expenses		<u>(1,448,594)</u>	<u>(1,343,992)</u>
OPERATING PROFIT	1	163,274	190,267
Interest payable	3	-	(211)
Interest receivable		<u>60,647</u>	<u>48,794</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		223,921	238,850
Tax on profit on ordinary activities	4	<u>(59,660)</u>	<u>(67,540)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		164,261	171,310
Dividends	5	<u>(105,000)</u>	<u>(75,000)</u>
RETAINED PROFIT FOR THE YEAR	11	<u>59,261</u>	<u>96,310</u>

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the profit for the above two financial years.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The results as disclosed in the profit and loss account are stated on an unmodified historical cost basis.

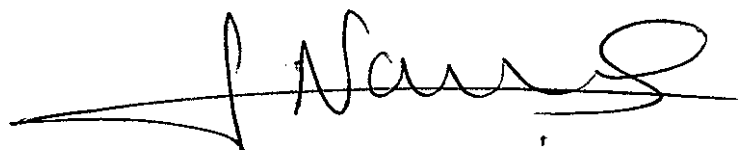
CERAMICA IMPEX LIMITED

BALANCE SHEET AS AT 31ST MARCH 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
FIXED ASSETS			
Tangible assets	6	48,861	58,778
CURRENT ASSETS			
Stocks	7	254,980	258,443
Debtors	8	1,391,742	1,417,250
Cash at bank and in hand		1,855,666	1,414,016
		<u>3,502,388</u>	<u>3,089,709</u>
CREDITORS: amounts falling due within one year	9	<u>(2,899,585)</u>	<u>(2,556,084)</u>
NET CURRENT ASSETS		<u>602,803</u>	<u>533,625</u>
NET ASSETS		<u>651,664</u>	<u>592,403</u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and loss account	11	651,564	592,303
SHAREHOLDERS' FUNDS	12	<u>651,664</u>	<u>592,403</u>

Advantage has been taken of the exemptions conferred by Part III, Schedule 8 of the Companies Act 1985, as amended, on the grounds that in the directors' opinion the company is a medium-sized company as defined because it meets the qualifying conditions.

Approved by the Board on 5th February 1996, and signed on their behalf by:-



.....
H.L. Namli
Director

CERAMICA IMPEX LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
NET CASH INFLOW FROM OPERATING ACTIVITIES	14	559,133	755,461
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest received		60,647	48,794
Interest paid		-	(211)
Dividends paid		<u>(105,000)</u>	<u>(75,000)</u>
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(44,353)	(26,417)
TAXATION			
Corporation tax paid		(68,686)	(110,000)
INVESTING ACTIVITIES			
Payments to acquire tangible fixed assets		(4,444)	(38,345)
Receipts from sales of tangible fixed assets		<u>-</u>	<u>16,500</u>
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(4,444)	(21,845)
INCREASE IN CASH AND CASH EQUIVALENTS	15	<u>441,650</u>	<u>597,199</u>

CERAMICA IMPEX LIMITED

ACCOUNTING POLICIES

A. ACCOUNTING CONVENTION

The Financial Statements have been prepared under the historical cost convention.

B. TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost.

Depreciation is provided on a reducing balance basis to write off the assets over their estimated useful lives. The rates of depreciation are:-

Motor Vehicles	25%
Fixtures, Fittings and Equipment	15%

C. STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost of stocks comprises the purchase price of stocks and all other directly attributable costs. Net realisable value is based on estimated selling price less further costs to completion and selling costs.

D. DEFERRED TAXATION

Provision is made under the liability method in respect of those timing differences which are expected to give rise to taxation liabilities in the foreseeable future.

E. OPERATING LEASES

The rentals under operating leases are charged to profit, as incurred, over the term of the lease.

F. PENSIONS

The Company operates two defined contribution pension schemes. Contributions are charged to the profit and loss account as they are paid.

CERAMICA IMPEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1995

1. OPERATING PROFIT

	<u>1995</u>	<u>1994</u>
Operating Profit is stated after charging:-	£	£
Directors' emoluments	1,282,270	1,087,120
Auditors' remuneration	3,600	3,500
Depreciation	14,361	18,488
Operating leases rentals - land and buildings	6,562	7,340
and after crediting:-		
Profit on disposal of tangible fixed assets	-	1,369

2. DIRECTORS AND EMPLOYEES

	<u>1995</u>	<u>1994</u>
a. Emoluments of Directors:-	£	£
Chairman	1,218,350	1,038,200
Other Directors:-	Number	Number
£0 - £5,000	3	2
b. Staff costs, including Directors' remuneration, comprise:-	<u>1995</u>	<u>1994</u>
	£	£
Wages and salaries	144,705	1,078,055
Social security costs	11,572	108,299
Pension costs	38,920	28,920
	<u>195,197</u>	<u>1,215,274</u>

Directors' emoluments for the year include emoluments which do not fall to be classified as remuneration for the purposes of the above note.

- c. The average weekly number of persons employed by the Company, including Directors, during the year was as follows:

	<u>1995</u>	<u>1994</u>
	Number	Number
Operational	3	3
Administrative	3	3
	<u>6</u>	<u>6</u>

Cont'd.....

CERAMICA IMPEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

3. INTEREST PAYABLE

	<u>1995</u>	<u>1994</u>
	£	£
Loans repayable within five years	-	211

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1995</u>	<u>1994</u>
	£	£
U.K. Corporation Tax at 25.0% (1994 25.2%)	59,660	64,527
Underprovision in prior year	-	3,013
	<u>59,660</u>	<u>67,540</u>

5. DIVIDENDS

	<u>1995</u>	<u>1994</u>
	£	£
Dividends paid	<u>105,000</u>	<u>75,000</u>

6. TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u>	<u>Fixtures, Fittings and Equipment</u>	<u>Total</u>
	£	£	£
Cost			
At 1st April 1994	79,886	13,616	93,502
Additions	-	4,444	4,444
Disposals	-	-	-
At 31st March 1995	<u>79,886</u>	<u>18,060</u>	<u>97,946</u>
Depreciation			
At 1st April 1994	28,156	6,568	34,724
Charge for the year	12,932	1,429	14,361
Disposals	-	-	-
At 31st March 1995	<u>41,088</u>	<u>7,997</u>	<u>49,085</u>
Net Book Values			
At 31st March 1995	<u>38,798</u>	<u>10,063</u>	<u>48,861</u>
At 31st March 1994	<u>51,730</u>	<u>7,048</u>	<u>58,778</u>

Cont'd.....

CERAMICA IMPEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

7. STOCKS

	<u>1995</u>	<u>1994</u>
	£	£
Goods for resale	<u>254,980</u>	<u>258,443</u>

8. DEBTORS

	<u>1995</u>	<u>1994</u>
	£	£
Amounts falling due within one year:-		
Trade debtors	1,385,309	1,407,748
Other debtors	3,741	2,943
Prepayments and accrued income	<u>2,692</u>	<u>6,559</u>
	<u>1,391,742</u>	<u>1,417,250</u>

9. CREDITORS: amounts falling due within one year

	<u>1995</u>	<u>1994</u>
	£	£
Trade creditors	1,192,794	1,468,271
Director's current accounts	35,052	388,145
Corporation tax	59,660	68,686
Other taxes and social security	460,722	594,270
Accruals and deferred income	<u>1,151,357</u>	<u>16,712</u>
	<u>2,899,585</u>	<u>2,556,084</u>

CERAMICA IMPEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

10. CALLED UP SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
	£	£
Authorised:-		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Allotted, Called Up and Fully Paid:-		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>

11. RESERVES

Profit and Loss Account	£
At 1st April 1994	592,303
Retained profit for the year	<u>59,261</u>
At 31st March 1995	<u>651,564</u>

12. SHAREHOLDERS' FUNDS

	<u>1995</u>	<u>1994</u>
	£	£
Profit for the financial year	164,261	171,310
Dividends	<u>(105,000)</u>	<u>(75,000)</u>
	59,261	96,310
Shareholders' funds at beginning of year	<u>592,403</u>	<u>496,093</u>
Shareholders' funds at end of year	<u>651,664</u>	<u>592,403</u>

13. FINANCIAL COMMITMENTS

a. Capital Commitments:-

The Company had no commitments for capital expenditure at 31st March 1995(1994 £Nil).

b. Annual Commitments under non-cancellable operating leases on land and buildings:-

	<u>1995</u>	<u>1994</u>
	£	£
Expiring within one year	<u>4,100</u>	<u>3,646</u>

CERAMICA IMPEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONT'D

14. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1995</u>	<u>1994</u>
	£	£
Operation profit	163,274	190,267
Depreciation charges	14,361	18,488
Profit on disposal of tangible fixed assets	-	(1,369)
Decrease in stocks	3,463	96,538
Decrease/(Increase) in debtors	25,508	(481,752)
Increase in creditors	352,527	933,289
Net Cash Inflow from Operating Activities	<u>559,133</u>	<u>755,461</u>

15. MOVEMENTS IN CASH AND CASH EQUIVALENTS RECONCILED TO THE BALANCE SHEET

	<u>1995</u>	<u>1994</u>
	£	£
Cash at bank and in hand at beginning of year	1,414,016	816,817
Net cash inflow	441,650	597,199
Cash at bank and in hand at end of year	<u>1,855,666</u>	<u>1,414,016</u>