

Report of the Directors and
Financial Statements for the Year Ended 30th June 2002
for
4M Flooring UK Limited



4M Flooring UK Limited

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for the Year Ended 30th June 2002

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4M Flooring UK Limited

Company Information
for the Year Ended 30th June 2002

DIRECTORS:

M D Greaves MBA BA (hons)
M Holden

SECRETARY:

Ms A Roberts

REGISTERED OFFICE:

Flowcrete Business Park
Booth Lane
Moston
Sandbach
Cheshire
CW11 3QF

REGISTERED NUMBER:

4007476 (England and Wales)

AUDITORS:

Hammond McNulty
Chartered Certified Accountants
and Registered Auditors
Bank House
Market Square
Congleton
Cheshire. CW12 1ET

4M Flooring UK Limited

Report of the Directors for the Year Ended 30th June 2002

The directors present their report with the financial statements of the company for the year ended 30th June 2002.

CHANGE OF NAME

The company passed a special resolution on 30th April 2002 changing its name from Isowarm Limited to 4M Flooring UK Limited.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the supply and installation of industrial flooring.

DIRECTORS

Mrs H McGachie and Mr M Holden, being directors of 4M Flooring UK Limited hold no beneficial interest in the holding company, Flowcrete Group Plc. Mrs H McGachie resigned as a director of 4M Flooring UK Limited on 30 April 2002. Mr M Greaves holds 30% of the issued share capital in Flowcrete Group Plc both on appointment and at the year end.

STATEMENT OF 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 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 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.

AUDITORS

The auditors, Hammond McNulty, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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:



Ms A Roberts - SECRETARY

Dated: 30/1/03

4M Flooring UK Limited

Report of the Independent Auditors to the Shareholders of
4M Flooring UK Limited

We have audited the financial statements of 4M Flooring UK Limited for the year ended 30th June 2002 on pages four to nine. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the Report of the Directors 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 United Kingdom 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 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 30th June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Hammond McNulty
Chartered Certified Accountants
and Registered Auditors
Bank House
Market Square
Congleton
Cheshire. CW12 1ET

Dated:

Hammond McNulty
31/1/03

4M Flooring UK Limited

Profit and Loss Account
for the Year Ended 30th June 2002

		Year Ended 30/6/02		Period 5/6/00 to 30/6/01	
	Notes	£	£	£	£
TURNOVER			795,319		-
Cost of sales			436,372		-
GROSS PROFIT			358,947		-
Distribution costs		510		-	
Administrative expenses		355,796		-	
			356,306		-
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2		2,641		-
Tax on profit on ordinary activities	3		1,131		-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			1,510		-
RETAINED PROFIT FOR THE YEAR			£1,510		-

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current year.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

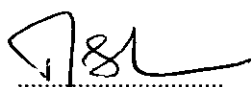
4M Flooring UK Limited

Balance Sheet
30th June 2002

		30/6/02		30/6/01	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	4		20,782		-
CURRENT ASSETS					
Stocks		59,882		-	
Debtors	5	722,664		2	
Cash at bank		150,341		-	
		<u>932,887</u>		<u>2</u>	
CREDITORS					
Amounts falling due within one year	6	<u>925,977</u>		<u>-</u>	
NET CURRENT ASSETS			<u>6,910</u>		<u>2</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>£27,692</u></u>		<u><u>£2</u></u>
CAPITAL AND RESERVES					
Called up share capital	7		2		2
Revaluation reserve	8		10,000		-
Other reserves	8		16,180		-
Profit and loss account	8		<u>1,510</u>		<u>-</u>
SHAREHOLDERS' FUNDS	10		<u><u>£27,692</u></u>		<u><u>£2</u></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.

ON BEHALF OF THE BOARD:



M Holden - DIRECTOR

Approved by the Board on 30.11.03

4M Flooring UK Limited

Notes to the Financial Statements for the Year Ended 30th June 2002

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 20% on cost

Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

2. OPERATING PROFIT

The operating profit is stated after charging:

	Year Ended 30/6/02 £	Period 5/6/00 to 30/6/01 £
Other operating leases	1,700	-
Depreciation - owned assets	717	-
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	7,800	-
	<u> </u>	<u> </u>

4M Flooring UK Limited

Notes to the Financial Statements
for the Year Ended 30th June 2002

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	Year Ended 30/6/02 £	Period 5/6/00 to 30/6/01 £
Current tax:		
UK corporation tax	1,131	-
	<hr/>	<hr/>
Tax on profit on ordinary activities	1,131	-
	<hr/> <hr/>	<hr/> <hr/>

UK corporation tax has been charged at 18.61%

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST OR VALUATION:	
Additions	21,499
	<hr/>
At 30th June 2002	21,499
	<hr/>
DEPRECIATION:	
Charge for year	717
	<hr/>
At 30th June 2002	717
	<hr/>
NET BOOK VALUE:	
At 30th June 2002	20,782
	<hr/> <hr/>

Cost or valuation at 30th June 2002 is represented by:

	Plant and machinery etc £
Valuation in 2002	10,000
Cost	11,499
	<hr/>
	21,499
	<hr/> <hr/>

4M Flooring UK Limited

Notes to the Financial Statements **for the Year Ended 30th June 2002**

4. TANGIBLE FIXED ASSETS - continued

If Plant and machinery had not been revalued they would have been included at the following historical cost:

	30/6/02	30/6/01
	£	£
Cost	11,499	-
	<hr/>	<hr/>
Aggregate depreciation	383	-
	<hr/>	<hr/>

Plant and machinery were valued on an open market basis on 1st May 2002 by the director.

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/6/02	30/6/01
	£	£
Trade debtors	690,150	-
Other debtors	32,514	2
	<hr/>	<hr/>
	722,664	2
	<hr/>	<hr/>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/6/02	30/6/01
	£	£
Trade creditors	758,179	-
Amounts owed to group undertakings	94,340	-
Taxation and social security	56,804	-
Other creditors	16,654	-
	<hr/>	<hr/>
	925,977	-
	<hr/>	<hr/>

7. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	30/6/02	30/6/01
			£	£
1,000	Ordinary	£1	1,000	1,000
			<hr/>	<hr/>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	30/6/02	30/6/01
			£	£
2	Ordinary	£1	2	2
			<hr/>	<hr/>

4M Flooring UK Limited

Notes to the Financial Statements
for the Year Ended 30th June 2002

8. RESERVES

	Profit and loss account £	Revaluation reserve £	Other reserves £	Totals £
Retained profit for the year	1,510	-	-	1,510
No description	-	10,000	16,180	26,180
	<hr/>	<hr/>	<hr/>	<hr/>
At 30th June 2002	1,510	10,000	16,180	27,690
	<hr/>	<hr/>	<hr/>	<hr/>

Other reserves are retentions acquired from Begbies Traynor, acting as receivers of 4M Flooring Limited (in receivership).

9. ULTIMATE PARENT COMPANY

The company is a 100% subsidiary of Flowcrete UK Limited, a company incorporated in England and Wales.

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	30/6/02 £	30/6/01 £
Profit for the financial year	1,510	-
Transferred to Revaluation reserve	10,000	-
Transferred to Other reserve	16,180	-
Shares issued	-	2
	<hr/>	<hr/>
Net addition to shareholders' funds	27,690	2
Opening shareholders' funds	2	-
	<hr/>	<hr/>
Closing shareholders' funds	27,692	2
	<hr/>	<hr/>
Equity interests	27,692	2
	<hr/>	<hr/>

4M Flooring UK Limited

Trading and Profit and Loss Account
for the Year Ended 30th June 2002

	<u>Year Ended</u> <u>30/6/02</u>		<u>Period</u> <u>5/6/00 to 30/6/01</u>	
	£	£	£	£
Sales		795,319		-
Cost of sales				
Raw materials	257,652		-	
Small tools	28,883		-	
Carriage	2,659		-	
Labour	96,774		-	
Sub contractors	21,839		-	
Equipment hire	24,540		-	
Other direct costs	4,025		-	
		<u>436,372</u>		<u>-</u>
GROSS PROFIT		358,947		-
Expenditure				
Transport insurance	510		-	
Rent	1,700		-	
Rates and water	104		-	
Light and heat	1,714		-	
Directors' bonuses	7,800		-	
Wages	49,849		-	
Management fee	250,000		-	
Telephone	317		-	
Post and stationery	1,111		-	
Travel & subsistence	21,266		-	
Motor expenses	16,516		-	
Repairs and renewals	604		-	
Sundry expenses	886		-	
Legal & professional fees	3,200		-	
Depreciation of tangible fixed assets	717		-	
		<u>356,294</u>		<u>-</u>
		2,653		-
Finance costs				
Bank charges		12		-
NET PROFIT		<u><u>£2,641</u></u>		<u><u>-</u></u>