

Tiles4Less Limited

Annual report and financial statements
for the 53 week period ended 2 October 2004

Registered number: 4123146



Officer and Professional Advisers

DIRECTOR

Topps Tiles Plc

SECRETARY

A. Liggett

REGISTERED OFFICE

Rushworth House

Wilmslow Road

Handforth

Wilmslow

Cheshire

SK9 3HJ

Director's report

For the 53 week period ended 2 October 2004

The director presents his annual report on the affairs of the company, together with the financial statements and auditors' report, for the 53 week period ended 2 October 2004.

Principal activity and business review

The company was dormant throughout the period.

Results and dividends

The audited financial statements for the 53 week period ended 2 October 2004 are set out on pages 6 to 8. The company did not trade in the period, therefore no profit and loss account has been prepared.

The director cannot recommend the payment of a dividend.

Future prospects

The director expects the company to remain dormant.

Director's interests

The interests of the director in the share capital of the company are as follows:

	£1 ordinary shares
Topps Tiles Plc	<u>2</u>

The director does not have any other interests which are required to be disclosed under Schedule 7 of the Companies Act 1985.

Auditors

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

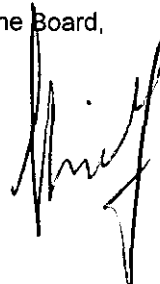
Rushworth House
Wilmslow Road
Handforth
Cheshire SK9 3HJ

10 JULY 2005

By order of the Board,

Secretary

A. Liggett



Statement of director's responsibilities

United Kingdom company law requires the director to prepare financial statements for each financial period 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 enable him to ensure that the financial statements comply with the Companies Act 1985. He is responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

To the Members of Tiles4Less Limited

We have audited the financial statements of Tiles4Less Limited for the 53 week period ended 2 October 2004 which comprise the balance sheet and the related notes numbered 1 to 7. These financial statements have been prepared under the accounting policies set out therein.

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 director and auditors

The director's responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Director's report. 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 Director's report 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 director's remuneration and transactions with the company is not disclosed.

We read the Director's 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 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 director in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, 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.

Independent auditors' report (continued)

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 2 October 2004 and of the result for the 53 week period then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

Deloitte & Touche LLP

Chartered Accountants and Registered Auditors

Manchester

20 JULY 2005

Balance sheet

2 October 2004

	Notes	2 October 2004 £	27 September 2003 £
Current assets			
Debtors	4	<u>2</u>	<u>2</u>
Net assets		<u>2</u>	<u>2</u>
Capital and reserves			
Called-up share capital	5	<u>2</u>	<u>2</u>
Equity shareholder's funds	6	<u>2</u>	<u>2</u>

The financial statements on pages 6 to 8 were approved by the Board on 11 JUL 2005 and signed on its behalf by:



Topps Tiles Plc
Director

11 JUL 2005

The accompanying notes are an integral part of this balance sheet.

Notes to the financial statements

For the 53 week period ended 2 October 2004

1 Accounting policies

A summary of the principal accounting policies, all of which have been applied consistently throughout the period and the preceding period, is set out below.

The company has had no accounting transactions and made neither a profit nor a loss in the accounting period under review or in the previous accounting period. Accordingly, no profit and loss account is presented.

There have been no other recognised gains and losses or movements in shareholder's funds in either period.

a) Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

b) Financial period

The accounting period end has been changed to the Saturday which falls closest to 30 September, resulting in normal financial periods of either 52 or 53 weeks.

c) Cash flow statement

As permitted by FRS 1 (Revised 1996) "Cash flow statements", the company has not produced a cash flow statement as it is a wholly owned subsidiary of Topps Tiles Plc, which has produced a group cash flow statement in its financial statements.

2 Director's remuneration

The director did not receive any remuneration during the period (2003 - £nil).

3 Auditors' remuneration

All audit costs are borne by the ultimate parent company in both periods.

4 Debtors

	2 October 2004 £	27 September 2003 £
Amounts falling due within one year:		
Amounts owed by group undertakings	<u>2</u>	<u>2</u>

Notes to the financial statements

For the 53 week period ended 2 October 2004

5 Called-up share capital

	2 October 2004 £	27 September 2003 £
<i>Authorised</i>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<i>Allotted, called-up and fully paid</i>		
2 ordinary shares of £1	<u>2</u>	<u>2</u>

6 Reconciliation of movements in equity shareholder's funds

	2 October 2004 £	27 September 2003 £
New shares issued	<u>-</u>	<u>2</u>
Opening equity shareholder's funds	<u>2</u>	<u>-</u>
Closing equity shareholder's funds	<u>2</u>	<u>2</u>

7 Ultimate controlling party

The director regards Topps Tiles Plc, a company incorporated in England and Wales, as the ultimate parent company and the ultimate controlling party.

Topps Tiles Plc is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from The Registrar of Companies, Companies' Registration Office, Crown Way, Maindy, Cardiff, CF4 3UZ.

As a subsidiary undertaking of Topps Tiles Plc, the company has taken advantage of the exemption in FRS 8 "Related party disclosures" from disclosing transactions with other members of the group headed by Topps Tiles Plc.