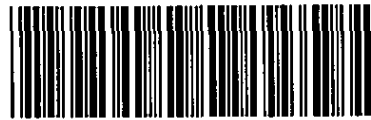


**Tiles4Less Limited**

Annual report and financial statements  
for the 52 week period ended  
30 September 2006

Registered number 4123146

MONDAY



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COMPANIES HOUSE

## **Officer and Professional Advisers**

### **DIRECTOR**

Topps Tiles Plc

### **SECRETARY**

R Parker (appointed 27 April 2007)

A Liggett (resigned 27 April 2007)

### **REGISTERED OFFICE**

Thorpe Way

Grove Park

Enderby

Leicestershire

LE19 1SU

### **BANKERS**

HSBC Bank plc

56 Queen Street

Cardiff

CF10 2PX

### **AUDITORS**

Deloitte & Touche LLP

Manchester

## Director's report

For the 52 week period ended 30 September 2006

The director presents his annual report on the affairs of the company, together with the financial statements and auditors' report, for the 52 week period ended 30 September 2006

### Principal activity and business review

The company no longer trades

### Results and dividends

The audited financial statements for the 52 week period ended 30 September 2006 are set out on pages 7 to 10. The loss for the period, after taxation, was £30 (2005 – Loss of £40)

The director cannot recommend the payment of a dividend (2005 – same)

### Future prospects

The director expects the general level of activity to continue

### Director and his interests

The director who served during the period and his interest in the share capital of the company is 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

### Director's statement on information to auditors

The director at the date of approval of the report confirms that

- so far as the director is aware, there is no relevant audit information which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

## Director's report (continued)

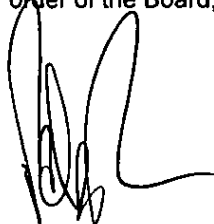
For the 52 week period ended 30 September 2006

### Auditors

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

Unit Q, Oak Green Business Park  
Earl Road  
Cheadle Hulme  
Cheshire  
SK8 6QL

By order of the Board,

A handwritten signature in black ink, appearing to be 'R Parker', written over a horizontal line.

Secretary

R Parker

30 July 2007

## 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 as at the end of the financial period 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, 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 the system of internal control, 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 52 week period ended 30 September 2006 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes numbered 1 to 8. 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 (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities. 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. We also report to you whether, in our opinion, the information given in the Director's report is consistent with the financial statements. In addition we 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 director's remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies in the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

### **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 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 30 September 2006 and of the loss for the 52 week period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's report is consistent with the financial statements

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors

Manchester

30 July 2007

## Profit and loss account

For the 52 week period ended 30 September 2006

	Notes	52 weeks ended 30 September 2006 £	52 weeks ended 1 October 2005 £
Operating expenses		(30)	(40)
<b>Operating loss and loss on ordinary activities before taxation</b>	2	(30)	(40)
Tax on loss on ordinary activities	3	-	-
<b>Loss for the financial period transferred from reserves</b>	6	(30)	(40)

All activity arose from continuing operations

There are no recognised gains or losses in either period other than the loss for that period and accordingly no statement of total recognised gains and losses has been prepared

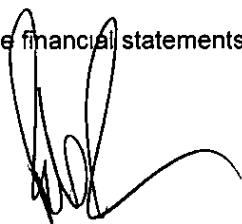
The accompanying notes are an integral part of this profit and loss account



**Balance sheet**  
30 September 2006

	Notes	30 September 2006 £	1 October 2005 £
<b>Creditors</b> Amounts falling due within one year	4	(68)	(38)
<b>Net liabilities</b>		<u>(68)</u>	<u>(38)</u>
<b>Capital and reserves</b>			
Called-up share capital	5	2	2
Profit and loss account		<u>(70)</u>	<u>(40)</u>
<b>Equity shareholder's deficit</b>	6	<u>(68)</u>	<u>(38)</u>

The financial statements were approved by the Board of Directors on 30 July 2007 and signed on its behalf by



Topps Tiles Plc  
Director

The accompanying notes are an integral part of this balance sheet

## Notes to the financial statements

For the 52 week period ended 30 September 2006

### 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

#### 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) 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

#### c) Financial period

The accounting period ends on the Saturday which falls closest to 30 September, resulting in normal financial periods of either 52 or 53 weeks

### 2 Operating loss and loss on ordinary activities before taxation

The director did not receive any remuneration during both periods

Fees paid to the company's auditor, Deloitte & Touche LLP and its associates for the audit of the company were £500 (2005 - £500), paid by the ultimate parent company. Fees paid for services other than the statutory audit of the company are not disclosed in the company's accounts since the consolidated accounts of the company's parent, Topps Tiles plc, are required to disclose non-audit fees on a consolidated basis. The company had no employees during either financial period.

### 3 Tax on loss on ordinary activities

There is no corporation tax payable in either period

The difference between actual tax charge and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows

	52 weeks ended 30 September 2006 £	52 weeks ended 1 October 2005 £
<b>Loss on ordinary activities before tax</b>	<b>(30)</b>	<b>(40)</b>
Tax on loss on ordinary activities at UK corporation tax rate of 30% (2005 – 30%)	(9)	(12)
Group relief	9	12
<b>Current tax charge for period</b>	<b>-</b>	<b>-</b>

## Notes to the financial statements (continued)

For the 52 week period ended 30 September 2006

### 4 Creditors Amounts falling within one year

	30 September 2006 £	1 October 2005 £
Bank overdraft	<u>68</u>	<u>38</u>

The overdraft is secured through multi lateral guarantees with fellow group undertakings and incurs an interest rate of LIBOR plus 0.75% where total group balances are in surplus, or LIBOR plus 1% if in an overdraft position

### 5 Called-up share capital

	30 September 2006 £	1 October 2005 £
<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 (deficit)/funds

	30 September 2006 £	1 October 2005 £
Loss for the period	(30)	(40)
Opening equity shareholder's (deficit)/funds	<u>(38)</u>	<u>2</u>
Closing equity shareholder's deficit	<u>(68)</u>	<u>(38)</u>

### 7 Contingent liabilities

At 30 September 2006, the company had unlimited multilateral guarantees with the company's bank for fellow group undertakings in respect of overdrafts of £59,400,000 (2005 - £36,950,000)

### 8 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