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MEDIA COMMUNICATIONS GROUP INC

Form 8-K/A

April 19, 2002

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K/A

Amendment No. 1

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): February 4, 2002

Commission File Number 001-15977

FLOOR DECOR, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
Incorporation or organization)

13-4051167
(IRS Employer
Identification Number)

6001 Powerline Road, Ft. Lauderdale, FL
(Address of principal executive offices)

33309
(Zip Code)

(954) 351-9833

(Registrant's telephone number, including area code)

Item 7. Financial Statements and Exhibits.

Pursuant to Item 7(a)(4) of Form 8-K, this Amendment contains additional financial information required by Form 8-K that was not included in the original Form 8-K filed by Floor Decor, Inc. (the "Company") dated February 19, 2002 (the "February 8-K"). The February 8-K disclosed that on February 4, 2002 the Company acquired all of the outstanding stock of Eagle Eye Scandinavian Distribution Limited, whose name was changed in March 2002 to Tiger Telematics, Ltd ("Tiger Telematics"). Tiger Telematics is an early stage company engaged in the distribution and provision of telematics products and services in certain European countries.

The Company issued 7,000,000 shares of its Common Stock to the sellers of Tiger Telematics in the acquisition. Certain additional transactions related to the acquisition that were disclosed in the February 8-K, are now updated with this report. First, the selling shareholders of Tiger Telematics agreed to convert debt owed to them by Tiger Telematics into additional shares of Common Stock. The Company's post closing audit of Tiger Telematics has determined that the amount of this debt is substantially less than the originally estimated (pound)2.3 million reported in the February 8-K. The amount of this debt as determined by the audit is (pound)432,480 or \$610,190. This amount has not yet been converted to Company Common Stock as of the date of this report. Although the conversion is still anticipated, no assurances can be given as to the timing and ultimate completion of the conversion. It is shown in the proforma condensed financial statements as if the conversion occurred on a proforma basis on December 31, 2001.

Also in connection with the Tiger Telematics acquisition, certain note holders of the Company were to convert approximately \$1.2 million of debt to Company

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Common Stock. As reported in the Company's Form 10-K filed on March 31, 2002 in Note I to the Financial Statements on Page F-15, \$922,733 was actually converted to Common Stock. Only eight holders of the Company note debt actually accepted the offer to convert debt to Common Stock. \$500,000 of this conversion was by A.J. Nassar the Company's Chief Executive Officer. The conversion is shown in the proforma condensed financial statements as if the conversions occurred on December 31, 2001.

Attached are the audited financial statements of Tiger Telematics, Ltd. (Formerly Eagle Eye Scandinavian Distribution Limited) as of and for the period ended February 4, 2002. Tiger Telematics was incorporated and began business on October 9, 2001 which renders unnecessary the filing of three years of audited statements.

Also attached are the pro forma condensed consolidated financial Statements of the Company and Tiger Telematics as of and for the year ended December 31, 2001, as required under item 7(b).

No additional exhibits are filed herewith.

Floor Decor, Inc. and Tiger Telematics Ltd. Pro Forma Condensed Consolidated Financial Statements

The pro forma condensed consolidated financial information reflects the acquisition of Tiger Telematics. The following pro forma balance sheet reflects the financial condition of Floor Decor, Inc. as of December 31, 2001 as if the acquisition had occurred on that date and the pro forma statements of income reflect the results of operations for year ended December 31, 2001 as if the acquisition had occurred on October 9, 2001 the date of the inception of Tiger Telematics.

Floor Decor, Inc. and Subsidiary Pro Forma Condensed Consolidated Balance Sheet December 31, 2001

	12-31-01 Floor Decor	2-04-02 Tiger Telematics Ltd.	Pro Forma Adjustments Eliminations	
Assets				
Current Assets				
Cash	\$ 20,331	\$ 787	\$(A) (787)	
Accounts receivable	93,580	-	-	
Advances to Officers	26,029	-	-	
Inventories	708,293	-	-	
Prepaid expenses	27,241	479,688	(A) (17,430)	
Total current assets	875,474	480,475	(18,217)	
Property and Equipment, net	161,028	1,436	(A) (1,436)	
Order backlog	-	-	(C) 2,800,000	
Distribution agreement	-	-	(C) 463,050	

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Deposits and Other Assets	262,272	-	-
Total Assets	\$ 1,298,774	\$ 481,911	\$ 3,243,397

See notes to unaudited pro forma condensed consolidated financial statements

Pro Forma Condensed Consolidated Balance Sheet
December 31, 2001

	12-31-01	2-4-01
	Floor Decor	Tiger Telematics Ltd.
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities		
Accounts Payable	\$ 764,455	\$ 235,949
Amounts due stockholders	1,541,053	610,190
Note Payable	130,119	98,822
Accrued expenses	147,451	-
Customer deposits	110,325	-
Total current liabilities	2,693,403	944,961
Stockholders' Equity (Deficit)		
Common stock, at par	55,887	1
Subscription receivable	(36)	-
Additional Paid in Capital	514,104	-
Accumulated deficit	(1,964,584)	(463,051)
Total stockholder's equity (deficit)	(1,394,629)	(463,050)
Total Liabilities and Stockholders' Equity (Deficit)	\$ 1,298,774	\$ 481,911

See notes to unaudited pro forma condensed consolidated financial statements

Floor Decor, Inc. and Subsidiary
Pro Forma Condensed Consolidated Income Statement
For the Year Ended December 31, 2001

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	12-31-01	2-04-01	
	Floor Decor	Tiger Telematics Ltd.	A E
Net Sales	\$ 3,776,750	\$ -	
Cost of goods sold	2,138,963	-	
Gross Profit	1,637,787	-	
Operating Expenses			
Selling expense	983,830	-	
General and administrative expense	1,807,430	463,051	(A) (2) (E)
	2,791,260	463,051	(1)
Operating Loss	(1,153,473)	(463,051)	(1)
Other income (expense)			
Interest expense	(145,607)	-	
	(145,607)	-	
Net loss	\$ (1,299,080)	\$ (463,051)	\$ 1
Net loss per share (basic and diluted)	\$ (0.024)	\$ (463,051)	
Weighted average shares outstanding	54,236,664	1	10,8

See notes to unaudited pro forma condensed consolidated financial statements

Floor Decor and Subsidiary
Notes to unaudited Pro forma Condensed Consolidated Financial Statements.

Note A: Floor Decor statements are as of December 31, 2001 and Tiger Telematics statements shown as of February 4, 2002 have been adjusted to December 31, 2001. The adjustments shown include \$204,634 added to accumulated deficit to reflect the roll back of 204,634 in losses incurred from December 31, 2001 to February 4, 2002 and to adjust other balance sheet items back to December 31, 2001.

Note B: The debt of the former Tiger Telematics shareholders has been shown as if it converted to Common Stock pursuant to the stock purchase agreement as of December 31, 2001, although such conversion has not yet taken place. 1,525,475 shares are shown as issued and \$610,190 is added to common stock and additional paid in capital. The related conversion of \$922,733 of the Company's noteholders debt into 2,306,833 common stock shares and warrants has been shown as a reduction of debt and an increase in common stock and additional paid in capital.

Note C: This transaction was treated as a purchase. The 7,000,000 shares of stock issued were valued at \$.40 per share. This price is the same price as the private placement transactions with investors that were entered into from December 2001 through January 2002. See report on Form-K dated February 19, 2002. This valued the stock issued at \$2,800,000. The cost of acquiring Tiger Telematics was allocated based on the fair market value of the underlying net assets acquired. The negative equity of Tiger Telematics of \$463,050 resulted in

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an excess of acquisition cost over tangible asset value of \$3,263,050.

The excess of the acquisition price over the tangible asset valuation was assigned to two intangible assets. \$2,800,000 was ascribed to an order backlog of open pending orders for products for future shipments over the next several years. This amount will be amortized as the orders are shipped on a prorata basis. The remaining amount of \$463,050 was assigned to distribution rights under a Distribution Agreement with Eagle Eye Telematics, plc, which was executed on October 19, 2001 (see Form 10-K dated March 31, 2002, exhibit #21.1. This amount will be amortized quarterly over the three-year remaining life of the distribution agreement.

Note D: Prepaid expenses of Tiger Telematics include \$421,859 of prepaid commission associated with obtaining the outstanding book of open pending orders. These commissions will be expensed as the related orders are shipped.

Note E. Pro forma amortization of the distribution agreement for the period from October 19, 2001 through December 31, 2001 amounted to \$328,000.

COMPANY NO: 4301299

TIGER TELEMATICS LIMITED

FINANCIAL STATEMENTS

Period 9 October 2001 to 4 February 2002

TIGER TELEMATICS LIMITED

CONTENTS

	Page
Company information	1
Independent auditors' report	2
Profit and loss account	3
Balance sheet	4
Cash flow statement	5
Notes to the financial statements	6 - 7

COMPANY INFORMATION

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Director	Christopher Sturm
Secretary	Ian Dunsford
Incorporation date	9 October 2001 as Eagle Eye European Distribution Ltd
Changes of name	10 October 2001 became Eagle Eye Scandinavian Distribution Ltd 11 February 2002 became Eagle Eye Europe Ltd 12 March 2002 became Tiger Telematics Ltd
Registered office	2nd Floor Berkeley Square House Berkeley Square London W1J 6BD
Registered number	4301299
Auditors	RSM Robson Rhodes Chartered Accountants 186 City Road London EC1V 2NU

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF TIGER TELEMATICS LIMITED

We have audited the financial statements on pages 3 to 7.

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 4 February 2002 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

RSM Robson Rhodes
Chartered Accountants and Registered Auditors

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London, England
28 March 2002

TIGER TELEMATICS LIMITED

PROFIT AND LOSS ACCOUNT
for the period from incorporation on 9 October 2001 to 4 February 2002

	Period to 4 February 2002	
	\$	(pound)
Turnover	-	-
Cost of sales	-	-
	-	-
Gross profit	-	-
Administration expenses	(463,051)	(328,196)
	(463,051)	(328,196)
Loss on ordinary activities before taxation	(463,051)	(328,196)
Taxation	-	-
	(463,051)	(328,196)
Loss on ordinary activities after taxation	(463,051)	(328,196)
Earnings per share (basic & diluted)	(463,051)	(328,196)
	1	1
Weighted average number of shares	1	1

STATEMENT OF MOVEMENTS IN EQUITY SHAREHOLDERS FUNDS For the period ended 4 February 2002

	Period to 4 February 2002	
	\$	(pound)
Loss for the period	(463,051)	(328,196)
Issue of share	1	1
Equity shareholders funds at 9 October 2001	-	-
	(463,050)	(328,195)
Equity shareholders funds at 4 February 2002	(463,050)	(328,195)

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BALANCE SHEET

at 4 February 2002

	4 February 2002	
	----- \$	(pound) -----
Fixed assets		
Tangible assets	1,436	1,018
	-----	-----
Current assets		
Other debtors & prepayments	479,688	339,987
Cash at bank and in hand	787	558
	-----	-----
	480,475	340,545
Current liabilities		
Creditors & accruals	(944,961)	(669,758)
	-----	-----
Net current liabilities	(464,486)	(329,213)
Net assets	(463,050)	(328,195)
	=====	=====
Capital and reserves		
Called up share capital	1	1
Reserves	(463,051)	(328,196)
	-----	-----
Equity shareholders' funds	(463,050)	(328,195)
	-----	-----

The financial statements were approved by the Board on 28 March 2002 and signed on its behalf by:

Christopher Sturm
Director

Carl Freer
Executive

CASH FLOW STATEMENT

for the period from 9 October 2001 to 4 February 2002

	4 February 2002	
	----- \$	(pound) -----
Cash inflow from operating activities	(706,790)	(500,950)
Returns on investment and servicing of finance	-	-

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Taxation paid	-	-
Capital expenditure and financial investment		
Payments to acquire fixed assets	(1,436)	(1,018)
Acquisitions and disposals	-	-
Net cash outflow before financing	(708,226)	(501,968)
Financing		
Issue of share capital	1	1
Floor Decor advance	98,822	70,042
Advances from other related parties	610,190	432,483
Increase in cash	787	558

RECONCILIATION OF OPERATING LOSS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	4 February 2002	
	\$	(pound)
Operating loss	(463,051)	(328,196)
Depreciation of tangible fixed assets	-	-
Movements in working capital:		
Increase in debtors	(479,688)	(339,987)
Increase in creditors	235,949	167,233
Cash outflow from operating activities	(706,790)	(500,950)

ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared in accordance with applicable accounting standards and under historical cost accounting rules.

The financial statements have been prepared for the purposes of SEC filings required as at the date of acquisition of the company by Floor Decor Inc and include all disclosures required by US GAAP.

The company's first statutory accounts will be prepared for the year ending 31 December 2002.

The principal accounting policies which the directors have adopted within that convention are set out below:

Going concern

The financial statements have been prepared on the going concern basis on the strength of the ongoing financial support being provided by the director and senior executive, and the new parent undertaking Floor Decor Inc.

Turnover

Turnover comprises sales to customers less discounts and allowances and is net of value added tax.

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Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Fixed assets

Depreciation is provided by the company to write off the cost less the estimated residual value of tangible assets in equal instalments from the month after the month of acquisition over their useful economic lives until disposal.

Leasing

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

Reporting currency

The company utilises sterling as its reporting currency. In connection with the acquisition of the company by Floor Decor Inc, the accompanying financial statements have also been stated in US dollars.

All transactions were translated at the rate of exchange in effect at 4 February 2002 of \$1.4109 US dollars per (pound)1 sterling.

2	SHARE CAPITAL	
		2002 Number
	Authorised	
	Ordinary shares of (pound)1 each	1,000,000
	Issued and fully paid	
	Ordinary shares of (pound)1 each	1

3. RELATED PARTY TRANSACTIONS

During the period the company has undertaken transaction with its shareholder, Christopher Sturm, and senior executive, Carl Freer, and with the acquiring company Floor Decor Inc.

At 4 February 2002 the company owed Mr Sturm and Mr Freer a total of (pound)432,483 (\$610,190) in respect of non interest bearing advances made to the company during the period. These advances are subsequently to be converted into common stock of Floor Decor Inc in connection with the acquisition of the company on 4 February 2002.

Floor Decor Inc loaned the company (pound)70,042 (\$98,822) in January 2002. The sum remains outstanding and is due on demand and bears interest at a rate of 6%

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the

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registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FLOOR DECOR, INC.

/S/ Chief Executive Officer and Director April 19, 2002
Alvin J. Nassar

/S/ Chief Financial Officer and Director April 19, 2002
Michael W. Carrender