

REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1997  
FOR  
HEATLY AND GRESHAM LIMITED



HEATLY AND GRESHAM LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER 1997

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**HEATLY AND GRESHAM LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31ST DECEMBER 1997**

**DIRECTORS:**

G T VERGHESE  
R J ADVANI  
T L VERGHESE  
MRS S JOHN

**SECRETARY:**

MR T L VERGHESE

**REGISTERED OFFICE:**

SUITE 28  
4TH FLOOR, MORLEY HOUSE  
320 REGENT STREET  
LONDON  
W1R 5AA

**REGISTERED NUMBER:**

37554 (England and Wales)

**ACCOUNTANTS:**

HAMSUN & HOGATE  
CHARTERED ACCOUNTANTS  
UNIT 2, BRAMBER COURT  
2 BRAMBER ROAD  
WEST KENSINGTON  
LONDON W14 9PA

**HEATLY AND GRESHAM LIMITED**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1997**

The directors present their report with the financial statements of the company for the year ended 31st December 1997.

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of international traders, exporters, importers and commission agents.

**REVIEW OF BUSINESS**

The results for the year and financial position of the company are as shown in the annexed financial statements.

**DIRECTORS**

The directors during the year under review were:

G T VERGHESE

R J ADVANI

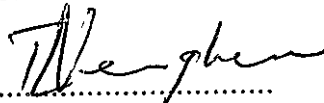
T L VERGHESE

MRS S JOHN

The directors holding office at 31st December 1997 did not hold any beneficial interest in the issued share capital of the company at 1st January 1997 or 31st December 1997.

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:**



.....  
MR T L VERGHESE - SECRETARY

Dated: 9/9/98

**HEATLY AND GRESHAM LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 1997**

	Notes	1997		1996	
		£	£	£	£
<b>TURNOVER</b>	2		121,902		526,933
Cost of sales			78,960		451,855
<b>GROSS PROFIT</b>			42,942		75,078
Distribution costs		165		-	
Administrative expenses		54,618		60,479	
			54,783		60,479
<b>OPERATING (LOSS)/PROFIT</b>	3		(11,841)		14,599
Income from investments		3,858		2,778	
Interest receivable and similar income	4	162		484	
			4,020		3,262
			(7,821)		17,861
Interest payable and similar charges			4,019		87
<b>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			(11,840)		17,774
Tax on (loss)/profit on ordinary activities	5		(2,102)		3,317
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION</b>			(9,738)		14,457
Retained profit/(deficit) brought forward			14,104		(353)
<b>RETAINED PROFIT CARRIED FORWARD</b>			£4,366		£14,104

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current and previous years.

**TOTAL RECOGNISED GAINS AND LOSSES**

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

**HEATLY AND GRESHAM LIMITED**

**BALANCE SHEET**  
**31ST DECEMBER 1997**

	Notes	1997		1996	
		£	£	£	£
<b>FIXED ASSETS:</b>					
Tangible assets	6		1,067		1,494
<b>CURRENT ASSETS:</b>					
Debtors	7	15,390		269,452	
Investments	8	22,757		22,757	
Cash at bank and in hand		593		10,243	
		<u>38,740</u>		<u>302,452</u>	
<b>CREDITORS: Amounts falling due within one year</b>	9	<u>9,770</u>		<u>264,171</u>	
<b>NET CURRENT ASSETS:</b>			<u>28,970</u>		<u>38,281</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>			<u>30,037</u>		<u>39,775</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	10		<u>18,171</u>		<u>18,171</u>
			<u>£11,866</u>		<u>£21,604</u>
<b>CAPITAL AND RESERVES:</b>					
Called up share capital	12		7,500		7,500
Profit and loss account			4,366		14,104
Shareholders' funds	13		<u>£11,866</u>		<u>£21,604</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ending 31st December 1997.

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

HEATLY AND GRESHAM LIMITED

BALANCE SHEET  
31ST DECEMBER 1997

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:

*G. F. Verghese*  
.....

- DIRECTOR

Approved by the Board on ..... *9/9/98* .....

The notes form part of these financial statements

**HEATLY AND GRESHAM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1997**

**1. ACCOUNTING POLICIES**

**Accounting convention**

The financial statements have been prepared under the historical cost convention.

**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	- 20% on cost
Computer equipment	- 25% on cost

**Deferred taxation**

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**2. TURNOVER**

The turnover and loss (1996 - profit) before taxation are attributable to the principal activities of the company.

**3. OPERATING (LOSS)/PROFIT**

The operating loss (1996 - operating profit) is stated after charging:

	1997	1996
	£	£
Depreciation - owned assets	427	246
Auditors' remuneration	-	1,000
Pension costs	-	1,500
	<u>          </u>	<u>          </u>
Directors' emoluments	27,000	24,000
	<u>          </u>	<u>          </u>

Directors' emoluments: This includes Personal Pension Contribution of £3000 of a director and these are charged in the profit and loss account. The annual payments by the company are negotiated in arrears with the director. The company has no contractual commitment to make this payment.

**4. INTEREST RECEIVABLE AND SIMILAR INCOME**

	1997	1996
	£	£
Deposit account interest	162	484
	<u>          </u>	<u>          </u>



**HEATLY AND GRESHAM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1997**

**5. TAXATION**

The tax (credit)/charge on the loss on ordinary activities for the year was as follows:

	1997	1996
	£	£
UK Corporation Tax	(2,102)	3,317
	<u>          </u>	<u>          </u>

UK Corporation Tax has been charged at 21 % (1996 - 24%).

**6. TANGIBLE FIXED ASSETS**

	Plant and machinery	Computer equipment	Totals
	£	£	£
<b>COST:</b>			
At 1st January 1997			
and 31st December 1997	1,944	1,706	3,650
	<u>          </u>	<u>          </u>	<u>          </u>
<b>DEPRECIATION:</b>			
At 1st January 1997	1,943	213	2,156
Charge for year	-	427	427
	<u>          </u>	<u>          </u>	<u>          </u>
At 31st December 1997	1,943	640	2,583
	<u>          </u>	<u>          </u>	<u>          </u>
<b>NET BOOK VALUE:</b>			
At 31st December 1997	1	1,066	1,067
	<u>          </u>	<u>          </u>	<u>          </u>
At 31st December 1996	1	1,493	1,494
	<u>          </u>	<u>          </u>	<u>          </u>

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1997	1996
	£	£
V.A.T.	598	466
Trade debtors	11,505	267,883
Prepayments	1,185	1,103
Taxation	2,102	-
	<u>          </u>	<u>          </u>
	15,390	269,452
	<u>          </u>	<u>          </u>

**8. CURRENT ASSET INVESTMENTS**

	1997	1996
	£	£
Unlisted investments	22,757	22,757
	<u>          </u>	<u>          </u>

**HEATLY AND GRESHAM LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 1997**

**9. CREDITORS: AMOUNTS FALLING  
DUE WITHIN ONE YEAR**

	1997	1996
	£	£
Bank loans and overdrafts (see note 11)	7,195	216,969
Trade creditors	-	27,229
Directors Current Account	-	1,475
Heatly & Gresham (India) Ltd	-	9,575
Taxation	-	2,955
Accrued expenses	2,575	5,968
	<u>9,770</u>	<u>264,171</u>

**10. CREDITORS: AMOUNTS FALLING  
DUE AFTER MORE THAN ONE YEAR**

	1997	1996
	£	£
Holding company Loan	<u>18,171</u>	<u>18,171</u>

**11. LOANS AND OVERDRAFTS**

An analysis of the maturity of loans and overdrafts is given below:

	1997	1996
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>7,195</u>	<u>216,969</u>

**12. CALLED UP SHARE CAPITAL**

Authorised:				
Number:	Class:	Nominal value:	1997	1996
			£	£
10,000	ORDINARY	£1	<u>10,000</u>	<u>10,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	1997	1996
			£	£
7,500	ORDINARY	£1	<u>7,500</u>	<u>7,500</u>

HEATLY AND GRESHAM LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER 1997

13. **RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1997	1996
	£	£
(Loss)/Profit for the financial year	(9,738)	14,457
<b>NET (REDUCTION)/ADDITION TO SHAREHOLDERS' FUNDS</b>	<b>(9,738)</b>	<b>14,457</b>
Opening shareholders' funds	21,604	7,147
<b>CLOSING SHAREHOLDERS' FUNDS</b>	<b>11,866</b>	<b>21,604</b>
Equity interests	11,866	21,604