

J MINSKY & SONS LIMITED

Company No: 491319

ABBREVIATED

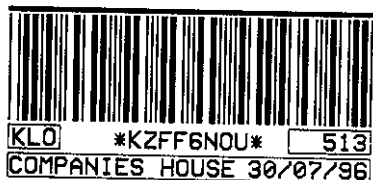
FINANCIAL STATEMENTS

- for the year ended -

31ST MARCH 1996

WESTBURY SCHOLNESS  
Chartered Accountants  
145-157 St John Street  
London EC1V 4PY,

Reference /M166/HG



J MINSKY & SONS LIMITED

**DIRECTORS**

S Minsky  
D Minsky  
N H Minsky  
R Minsky

**SECRETARY**

D Minsky

**BUSINESS ADDRESS**

21 Wetherell Road  
London E9 7DG

**REGISTERED OFFICE**

145-157 St John Street  
London EC1V 4PY

**AUDITORS**

Westbury Schotness  
Chartered Accountants  
145-157 St John Street  
London EC1V 4PY

**PRINCIPAL BANKERS**

Barclays Bank Plc  
24/26 Minories  
London EC3

J MINSKY & SONS LIMITED

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31ST MARCH 1996

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## J MINSKY & SONS LIMITED

### REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 March 1996.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was wholesalers of cloth and there have been no changes.

The accounts of the company reflect the trading activities for the year under review and it is anticipated that in the absence of unforeseen circumstances, future trading will be satisfactory.

#### DIVIDEND AND TRANSFER TO RESERVES

The directors have paid an interim dividend amounting to £100,000, and they do not recommend payment of a final dividend.

It is proposed that the retained profit of £25,199 is transferred to reserves.

#### FIXED ASSETS

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

#### DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

		<u>Number of shares</u>	
		<u>1996</u>	<u>1995</u>
S Minsky	Ordinary shares	-	-
D Minsky	Ordinary shares	-	-
N H Minsky	Ordinary shares	19,999	19,999
R Minsky & N H Minsky	Ordinary shares	1	1

#### 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 the 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.

J MINSKY & SONS LIMITED

REPORT OF THE DIRECTORS (Continued)

CHARITABLE DONATIONS

- During the year the company made various charitable donations totalling £4647.

CLOSE COMPANY

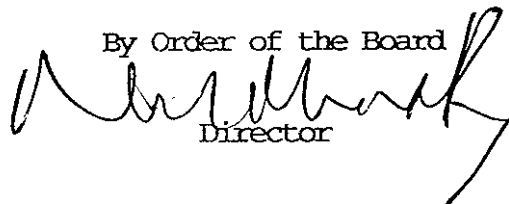
The company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Westbury Schotness, are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

Date: 26 July 1996

By Order of the Board

  
Director

J MINSKY & SONS LIMITED

AUDITORS' REPORT TO THE DIRECTORS OF J MINSKY & SONS LIMITED  
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 5 to 16 together with the full financial statements of J Minsky & Sons Limited for the year ended 31 March 1996. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 6 and that the abbreviated accounts have been properly prepared from the full financial statements.

In our opinion, the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section B, Part III of Schedule 8 to that Act in respect of the year ended 31 March 1996, and the abbreviated accounts on pages 5 to 16 have been properly prepared in accordance with that Schedule.

On ..26.July.1996..... we reported, as auditors of J Minsky & Sons Limited, to the members on the full financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 March 1996, and our audit report was as follows:

'We have audited the financial statements on pages 4 to 15 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

**Respective responsibilities of the directors and auditors**

As described in the Directors' Report the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with 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 as to whether 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.

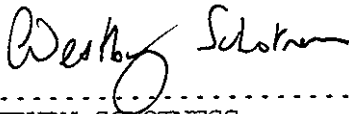
J MINSKY & SONS LIMITED

AUDITORS' REPORT TO THE DIRECTORS OF J MINSKY & SONS LIMITED (Continued)  
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

Qualified opinion arising from disagreement about accounting treatment

Tangible fixed assets shown on the balance sheet include investment properties which have not been revalued annually and this does not comply with the requirements of the Statement of Standard Accounting Practice 19.

Except for the above, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



.....  
WESTBURY SCHOLNESS  
Registered Auditors  
Chartered Accountants

145-157 St John Street  
London EC1V 4PY

Date: 26 July 1996

J MINSKY & SONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1996

	Notes	1996 £	1995 £
GROSS PROFIT		514,174	605,928
Distribution costs		(34,695)	(22,973)
Administrative expenses		(344,972)	(362,090)
		<u>134,507</u>	<u>220,865</u>
Other operating income		113,475	64,415
OPERATING PROFIT	2	<u>247,982</u>	<u>285,280</u>
Interest receivable	3	478	776
Interest payable	4	(81,674)	(48,940)
		<u></u>	<u></u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		166,786	237,116
Tax on profit on ordinary activities	7	(41,587)	(60,139)
		<u></u>	<u></u>
PROFIT FOR THE FINANCIAL YEAR		125,199	176,977
Dividends	8	(100,000)	(100,000)
		<u></u>	<u></u>
RETAINED PROFIT FOR THE YEAR	17	<u>25,199</u>	<u>76,977</u>

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.



J MINSKY & SONS LIMITED

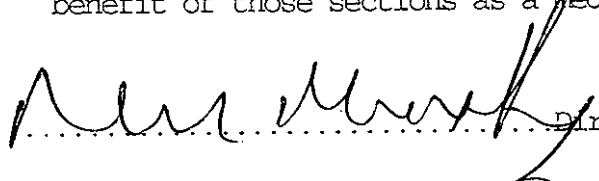
ABBREVIATED BALANCE SHEET AT 31ST MARCH 1996

	Notes	£	1996 £	£	1995 £
<b>FIXED ASSETS</b>					
Tangible assets	9		1,682,418		1,684,735
<b>CURRENT ASSETS</b>					
Stocks	10	477,207		411,082	
Debtors	11	718,426		643,040	
Cash at bank and in hand		32,114		28,498	
			<u>1,227,747</u>	<u>1,082,620</u>	
<b>CREDITORS: Amounts falling due within one year</b>	12	(982,847)		(809,662)	
<b>NET CURRENT ASSETS</b>			<u>244,900</u>	<u>272,958</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,927,318	1,957,693	
<b>CREDITORS: Amounts falling due after more than one year</b>	13		(531,777)	(588,007)	
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	15		(98,052)	(97,397)	
			<u>1,297,489</u>	<u>1,272,289</u>	
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		20,000	20,000	
Other reserves			24,316	24,316	
Profit and loss account	17		1,253,173	1,227,973	
			<u>1,297,489</u>	<u>1,272,289</u>	

In preparing these abbreviated financial statements:

(i) We have relied upon the exemptions for individual financial statements under sections 246 and 247 of the Companies Act 1985.

(ii) We have done so on the grounds that the company is entitled to the benefit of those sections as a medium company.

  
..... Director

Date: 26 July 1996

The notes on pages 8 to 16 form part of these financial statements.

J MINSKY & SONS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 1996

	Notes	1996 £	1995 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	19	295,712	363,399
Return on investments and servicing of finance:			
Interest received		478	788
Interest paid		(82,735)	(46,954)
Dividends paid		(100,000)	(100,000)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(182,257)	(146,166)
Taxation:			
Corporation tax paid		(59,485)	(43,215)
TAX PAID		(59,485)	(43,215)
Investing activities:			
Purchase of tangible fixed assets		(3,595)	(570,357)
Receipts from sale of tangible assets		5,000	175
NET CASHFLOW FROM INVESTING ACTIVITIES		1,405	(570,182)
NET CASH INFLOW BEFORE FINANCING		55,375	(396,164)
Financing:			
Receipts from other long term loans		-	(400,000)
Repayment of other long term loans		56,230	25,311
NET CASH INFLOW FROM FINANCING		56,230	(374,689)
DECREASE IN CASH AND CASH EQUIVALENTS	20	(856)	(21,475)
		55,374	(396,164)

The notes on pages 8 to 16 form part of these financial statements.

J MINSKY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

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

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Fixtures and fittings	25%	Reducing balance
Motor vehicles	25%	Reducing balance

Depreciation is not provided on freehold buildings and this is not in compliance with SSAP 12.

1.4 STOCKS

Stocks are valued at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

1.5 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.6 FOREIGN EXCHANGE

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the profit and loss account.

1.7 PENSIONS

Pension contributions are charged to the profit and loss account so as to spread the cost of the pensions over the employees' working lives with the company. These contributions are invested separately from the company's assets.

J MINSKY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

2.	OPERATING PROFIT	1996 £	1995 £
	The operating profit is stated after charging:-		
	Depreciation	3,176	3,950
	Auditors' remuneration	3,500	3,500
	and after crediting:-		
	Net rents receivable	113,475	63,924
	Profit on foreign currencies	5,989	189
		<u>          </u>	<u>          </u>
3.	INTEREST RECEIVABLE	1996 £	1995 £
	Bank and other interest receivable	478	776
		<u>          </u>	<u>          </u>
		478	776
		<u>          </u>	<u>          </u>
4.	INTEREST PAYABLE	1996 £	1995 £
	On bank loans and overdrafts and on loans repayable in full within five years	29,732	22,199
	On other loans	51,942	26,741
		<u>          </u>	<u>          </u>
		81,674	48,940
		<u>          </u>	<u>          </u>

J MINSKY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

5. DIRECTORS AND EMPLOYEES	1996 £	1995 £
Staff costs:-		
Wages and salaries	199,196	180,850
Social security costs	20,389	18,603
Other pension costs	37,000	37,000
	<u>256,585</u>	<u>236,453</u>

The average weekly number of employees during the year was made up as follows:

	Number	Number
Selling and Distribution	3	3
Office & Administration	4	4
	<u>7</u>	<u>7</u>
	£	£

Directors' emoluments:-

Remuneration for management services (including pension contributions)	<u>175,800</u>	<u>160,294</u>
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The division of directors' emoluments, excluding pension contributions, is as follows:-

Highest paid director	<u>50,000</u>	<u>39,000</u>
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Other directors' remuneration fell within the following ranges:

	Number	Number
£10,001 - £15,000	1	1
£35,001 - £40,000	<u>2</u>	<u>2</u>

6. PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company amounted to £37,000 (1995: £37,000). All contributions were paid in the year.

J MINSKY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1996 £	1995 £
The taxation charge based on the profit before tax comprises:-		
U.K. corporation tax at 25% (1995 - 25%)	40,932	59,485
Transfer to deferred taxation	655	654
	<u>41,587</u>	<u>60,139</u>

8. DIVIDENDS

	1996 £	1995 £
Equity interests		
Ordinary:-		
Interim dividend paid 15th January 1996	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

9. TANGIBLE ASSETS

<u>Cost</u>	Beginning of year £	Additions £	Disposals £	End of year £
Properties:				
Freehold	1,672,887	-	-	1,672,887
Fixtures and fittings	25,205	3,595	-	28,800
Motor vehicles	19,218	-	(11,529)	7,689
	<u>1,717,310</u>	<u>3,595</u>	<u>(11,529)</u>	<u>1,709,376</u>
<u>Depreciation</u>	Beginning of year £	Charge for year £	On disposals £	End of year £
Fixtures and fittings	19,336	2,366	-	21,702
Motor vehicles	13,239	810	(8,793)	5,256
	<u>32,575</u>	<u>3,176</u>	<u>(8,793)</u>	<u>26,958</u>
	Beginning of year £			End of year £
<u>Total net book values</u>	<u>1,684,735</u>			<u>1,682,418</u>

J MINSKY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

10.	STOCKS	1996 £	1995 £
	Finished goods and goods for resale	477,207	411,082
		<u>477,207</u>	<u>411,082</u>
11.	DEBTORS	1996 £	1995 £
	Trade debtors	717,402	640,101
	Prepayments and accrued income	1,024	2,939
		<u>718,426</u>	<u>643,040</u>
12.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	1996 £	1995 £
	Bank loans and overdrafts	347,481	343,010
	Trade creditors	283,631	91,751
	Corporation tax	40,932	59,486
	Other taxes and social security costs	63,285	56,092
	Directors' current accounts	217,471	224,463
	Other creditors	21,051	235
	Accruals and deferred income	8,996	34,625
		<u>982,847</u>	<u>809,662</u>
13.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	1996 £	1995 £
	Loans	531,777	588,007
		<u>531,777</u>	<u>588,007</u>

J MINSKY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

14. BORROWINGS	1996 £	1995 £
<u>The company's borrowings are repayable as follows:</u>		
In one year, or less or on demand	347,481	343,010
Between one and two years	54,378	54,378
Between two and five years	163,134	186,505
In five years or more	314,264	347,124
	<u>879,258</u>	<u>931,017</u>
<u>Borrowings: amounts due after five years:</u>		
<u>Repayable by instalments:</u>		
Commercial Mortgage with Bank of Ireland	314,264	347,124
	<u>314,264</u>	<u>347,124</u>
Amounts due within five years	<u>564,993</u>	<u>583,893</u>
Instalments not due within five years	<u>-</u>	<u>347,124</u>
<u>Details of security:</u>		
First and only legal charges over freehold properties at North Cheam, London N10 , Kingswood , Lancey, Watling Avenue and North Side Weatherall Road.		



J MINSKY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

15. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is calculated at 25% (1995 - 25%) analysed over the following timing differences:-

	Fully Provided	
	1996	1995
	£	£
On the excess of capital allowances over depreciation	98,052	97,397
	<u>98,052</u>	<u>97,397</u>

Movements on the provision for deferred taxation are:-

	£
At 1 April 1995	97,397
Transferred from profit and loss account	655
At 31 March 1996	<u>98,052</u>

16. SHARE CAPITAL

	1996	1995
	£	£
<u>Authorised</u>		
Equity interests:		
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>
<u>Allotted, called up and fully paid</u>		
Equity interests:		
20,000 Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>

17. PROFIT AND LOSS ACCOUNT

	1996	1995
	£	£
Retained profits at 1 April 1995	1,227,974	1,150,997
Retained profit for the year	<u>25,199</u>	<u>76,977</u>
Retained profits at 31 March 1996	<u>1,253,173</u>	<u>1,227,974</u>

J MINSKY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit for the financial year	125,199	176,977
Dividends	(100,000)	(100,000)
	<u>25,199</u>	<u>76,977</u>
Shareholders' funds at 1 April 1995	1,272,289	1,195,312
Shareholders' funds at 31 March 1996	<u>1,297,488</u>	<u>1,272,289</u>
Represented by:-		
Equity interests	1,297,488	1,272,289
	<u>1,297,488</u>	<u>1,272,289</u>

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1996 £	1995 £
Operating profit	247,982	285,280
Depreciation	3,176	3,950
Profit on disposal of fixed assets	(2,264)	(33)
Increase in stocks	(66,125)	326,399
Increase in debtors	(75,386)	86,338
Increase in creditors due within one year	188,329	(338,535)
	<u>295,712</u>	<u>363,399</u>

J MINSKY & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996

20. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	1996 £	1995 £
Cash at bank and in hand at 1 April 1995	28,498	12,945
Cash at bank and in hand at 31 March 1996	32,114	28,498
Net movement	3,616	15,553
Bank overdraft at 1 April 1995	(288,632)	(251,604)
Bank overdraft at 31 March 1996	(293,104)	(288,632)
Net movement	(4,472)	(37,028)
Total net movements	(856)	(21,475)

21. CONTINGENT LIABILITIES

Guarantees and liabilities under letters of credit and foreign exchange contracts amounted to £540,650 (1995 - 595,573). An indemnity to H M Customs & Excise amounted to £150,000 (1995 - £75,000).