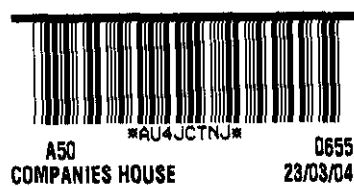


NORMAN KNIGHTS LIMITED

ABBREVIATED ACCOUNTS

**FOR THE YEAR ENDED
31 DECEMBER 2003**



42

NORMAN KNIGHTS LIMITED

INDEPENDENT AUDITORS' REPORT TO NORMAN KNIGHTS LIMITED **Under section 247B of the Companies Act 1985**

We have examined the abbreviated accounts of Norman Knights Limited for the year ended 31 December 2003 set out on pages 2 to 4, together with the financial statements of the Company for the year ended 31 December 2003 prepared under section 226 of the Companies Act 1985.

This report is made solely to the Company as a body, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the Company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Act to the registrar and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF AUDIT OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the Company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the Company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



Littlejohn Frazer

Chartered Accountants
Registered Auditors

1 Park Place
Canary Wharf
London
E14 4HJ

26 February 2004

NORMAN KNIGHTS LIMITED

ABBREVIATED BALANCE SHEET
As at 31 December 2003

| | Note | 2003 | | 2002 | |
|--|------|------------------|------------------|------------------|------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible fixed assets | 2 | | 163,466 | | 218,239 |
| CURRENT ASSETS | | | | | |
| Stocks | | 199,996 | | 180,935 | |
| Debtors | | 436,023 | | 492,948 | |
| Cash at bank and in hand | | 1,344 | | 985 | |
| | | <u>637,363</u> | | <u>674,868</u> | |
| CREDITORS: amounts falling due within one year | | <u>(346,950)</u> | | <u>(380,070)</u> | |
| NET CURRENT ASSETS | | | <u>290,413</u> | | <u>294,798</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>453,879</u> | | <u>513,037</u> |
| CREDITORS: amounts falling due after more than one year | | | <u>(27,862)</u> | | <u>(60,549)</u> |
| NET ASSETS | | | <u>£ 426,017</u> | | <u>£ 452,488</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 3 | | 2,000 | | 2,000 |
| Profit and loss account | | | 424,017 | | 450,488 |
| SHAREHOLDERS' FUNDS - All Equity | | | <u>£ 426,017</u> | | <u>£ 452,488</u> |

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the board on 19 February 2004 and signed on its behalf.



N N Shah
Director

The notes on pages 3 to 4 form part of these financial statements.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 December 2003

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and are prepared in accordance with applicable United Kingdom Accounting Standards.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|---|---|-------------------------------|
| Short-term leasehold land and buildings | - | Over the lease term |
| Plant and equipment | - | over 6-10 years |
| Motor vehicles | - | 25% reducing balance basis |
| Leasehold Improvements | - | over the remaining lease term |
| Office Equipment | - | Over 5 years |

1.3 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.4 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on the straight line basis over the lease term.

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.6 Deferred taxation

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

1.7 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 ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating loss.

1.8 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

NORMAN KNIGHTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 31 December 2003

2. TANGIBLE FIXED ASSETS

| | £ |
|--|------------------|
| Cost | |
| At 1 January 2003 and 31 December 2003 | <u>670,169</u> |
| Depreciation | |
| At 1 January 2003 | 451,930 |
| Charge for the year | 54,773 |
| | <u>506,703</u> |
| Net book value | |
| At 31 December 2003 | <u>£ 163,466</u> |
| At 31 December 2002 | <u>£ 218,239</u> |

3. SHARE CAPITAL

| | 2003 £ | 2002 £ |
|---|-----------------|-----------------|
| Authorised | | |
| 10,000 Ordinary shares of £1 each | <u>£ 10,000</u> | <u>£ 10,000</u> |
| Allotted, called up and fully paid | | |
| 2,000 Ordinary shares of £1 each | <u>£ 2,000</u> | <u>£ 2,000</u> |