

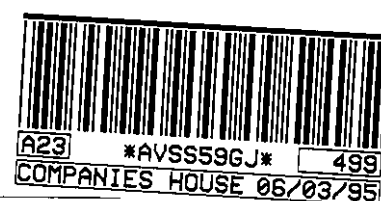
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SANGSON LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 1994

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* This page does not form part of the statutory accounts.



SANGSON LIMITED
COMPANY INFORMATION
YEAR ENDED 30TH SEPTEMBER 1994

COMPANY NUMBER: 01221723

DIRECTORS

Mr Gurbax Singh Sangha
Mrs Nashater Kaur Sangha

SECRETARY

Mr Gurbax Singh Sangha

REGISTERED OFFICE

221 Lozells Road,
Lozells,
Birmingham,
B19 1RJ.

BANKERS

Barclays Bank PLC,
Edgbaston Branch,
36 Hagley Road,
Birmingham,
B16 8NY.

AUDITORS

Javed & Co.,
Chartered Accountants,
Nova Court,
Bristol Street,
Birmingham,
B5 7AP.

SANGSON LIMITED
DIRECTORS' REPORT

The directors present their report and audited financial statements for the year ended 30th September 1994.

PRINCIPAL ACTIVITIES

The principal activities of the company during the year continued to be that of clothing manufacturers and wholesalers.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £ (39,839) (1993 : £ 34,346)

It is recommended that this amount be dealt with as follows:-

	<u>1994</u>	<u>1993</u>
Transfer (from)/to reserves	<u>£ (39,839)</u>	<u>£ 34,346</u>

FIXED ASSETS

Movements in fixed assets during the year were, as shown in note 8 to the accounts.

DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statement we are required to:

- Select suitable accounting policies and apply them consistently;
- Make reasonable and prudent judgements and estimates;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- Keeping proper accounting records;
- Safeguarding the company's assets;
- Taking reasonable steps for the detection and prevention of fraud.

.../continued

SANGSON LIMITED
DIRECTORS' REPORT continued

DIRECTORS INTERESTS IN SHARES

The interest of directors and their families according to the register required to be kept by the Companies Act were respectively:-

	<u>Ordinary shares of £1 each</u>	
	<u>1994</u>	<u>1993</u>
Mr Gurbax Singh Sangha	250	250
Mrs Nashater Kaur Sangha	250	250

In accordance with the Articles of Association, Mrs Nashater Kaur Sangha retires by rotation, and being eligible, offers herself for re-election.

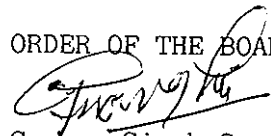
AUDITORS

The auditors M/S Javed & Co. have expressed their willingness to continue in office and in accordance with the Companies Act 1985, a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

221 Lozells Road,
Lozells,
Birmingham,
B19 1RJ.

2nd March 1995

BY ORDER OF THE BOARD


Mr Gurbax Singh Sangha

SECRETARY

REPORT OF THE AUDITORS TO THE MEMBERS OF
SANGSON LIMITED
ON THE FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 1994

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2, 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 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.

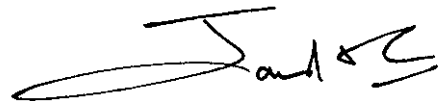
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 30th September 1994 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BIRMINGHAM

2nd March 1995



JAVED & CO.
Chartered Accountants
Registered Auditors

SANGSON LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30TH SEPTEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
<u>TURNOVER</u>	2	1,922,602	1,776,234
Net operating expenses	3	1,972,188	1,724,174
		<hr/>	<hr/>
<u>OPERATING (LOSS)/PROFIT</u>		(49,586)	52,060
Investment income	5	210	796
		<hr/>	<hr/>
<u>(LOSS)/PROFIT BEFORE INTEREST PAYABLE</u>		(49,376)	52,856
Interest payable	6	4,347	6,267
		<hr/>	<hr/>
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	2	(53,723)	46,589
Taxation	7	(13,884)	12,243
		<hr/>	<hr/>
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		(39,839)	34,346
Retained profit brought forward		255,275	220,929
		<hr/>	<hr/>
<u>RETAINED PROFIT CARRIED FORWARD</u>		<u>£ 215,436</u>	<u>£ 255,275</u>

There are no recognised gains or losses in 1994 or 1993
other than the profit/loss for the year.

SANGSON LIMITED
BALANCE SHEET
AS AT 30TH SEPTEMBER 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
<u>FIXED ASSETS</u>			
Tangible assets	8	22,128	27,010
<u>CURRENT ASSETS</u>			
Stock	10	174,149	175,455
Debtors	11	737,314	832,936
Cash in hand		1,857	4,468
Cash at bank		38,166	29,928
		<u>951,486</u>	<u>1,042,787</u>
<u>CURRENT LIABILITIES</u>			
Creditors: Amounts falling due within one year	12	<u>757,678</u>	<u>814,022</u>
<u>NET CURRENT ASSETS</u>			
		193,808	228,765
		<u>£ 215,936</u>	<u>£ 255,775</u>
<u>CAPITAL AND RESERVES</u>			
Called-up share capital	14	500	500
Profit and loss account		215,436	255,275
		<u>£ 215,936</u>	<u>£ 255,775</u>

Mr Gurbax Singh Sangha



Directors

Mrs Nashater Kaur Sangha

Nashater Kaur Sangha

These Financial Statements were approved by the
Board of Directors on 2nd March 1995

SANGSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1994

1. ACCOUNTING POLICIES

a) BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention with applicable accounting standards.

b) TURNOVER

Turnover represents the amount receivable, excluding VAT, for the goods and services invoiced during the year.

c) TANGIBLE FIXED ASSETS

All the tangible fixed assets are included at cost.

Depreciation is calculated to write off the cost of fixed assets over their estimated useful lives by the reducing balance method at the following rates:

Machinery and Equipment	15%
Motor vehicles	25%

d) STOCK

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

e) DEFERRED TAXATION

Deferred taxation is provided for by the liability method on all the originating timing differences, except where it is not expected to materialise in the foreseeable future.

Rentals paid under operating leases are charged to income as incurred.

f) CASH FLOW STATEMENT

The company has taken advantage of the exemption provided by the Financial Reporting Standard 1 and has not prepared a cash flow statement for the year.

2. TURNOVER AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>Turnover</u>		<u>Loss on ordinary activities before taxation</u>	
	<u>1994</u>	<u>1993</u>	<u>1994</u>	<u>1993</u>
Principal activity	£1,922,602	£1,776,234	£ (53,723)	£ 46,589
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SANGSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1994

3. NET OPERATING EXPENSES

	<u>1994</u>	<u>1993</u>
Raw materials and consumables	1,755,434	1,583,183
Staff costs (note 4)	68,860	62,300
Operating lease rentals	356	356
(Profit) on sale of fixed assets	-	(1,853)
Depreciation: owned assets	6,357	8,038
Other operating charges	141,181	72,150
	<u>£1,972,188</u>	<u>£1,724,174</u>

Other operating charges are
stated after charging:

Auditor's remuneration	<u>£ 2,000</u>	<u>£ 2,000</u>
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4. DIRECTORS AND EMPLOYEES

The average weekly number of employees
during the year was:

	<u>1994</u>	<u>1993</u>
Directors	2	2
Production staff	7	7
	<u>9</u>	<u>9</u>

Staff Costs:

Wages and salaries	45,589	48,063
Social security costs	3,030	2,981
Other pension costs	20,241	11,256
	<u>£ 68,860</u>	<u>£ 62,300</u>

The remuneration paid to directors
included in staff costs were:

Other emoluments (including pension contributions)	41,441	32,056
	<u>£ 41,441</u>	<u>£ 32,056</u>

SANGSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1994

5. INVESTMENT INCOME

	<u>1994</u>	<u>1993</u>
Bank interest received	210	796
	<u>£ 210</u>	<u>£ 796</u>

6. INTEREST PAYABLE

	<u>1994</u>	<u>1993</u>
Repayable within 5 yrs., not by inst.	4,347	6,267
	<u>£ 4,347</u>	<u>£ 6,267</u>

7. TAXATION

	<u>1994</u>	<u>1993</u>
Corporation tax on (loss) profit on ordinary activities at 25% (1993 - 25%)	(13,422)	12,243
Prior year adjustments - tax	(462)	-
	<u>£ (13,884)</u>	<u>£ 12,243</u>

8. FIXED ASSETS
TANGIBLE FIXED ASSETS

	<u>Machinery & Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
<u>COST</u>			
At 1st October 1993	23,156	51,019	74,175
Additions	1,473	-	1,473
At 30th September 1994	<u>£ 24,629</u>	<u>£ 51,019</u>	<u>£ 75,648</u>
<u>DEPRECIATION</u>			
At 1st October 1993	16,994	30,169	47,163
Charge for the year	1,145	5,212	6,357
At 30th September 1994	<u>£ 18,139</u>	<u>£ 35,381</u>	<u>£ 53,520</u>
<u>NET BOOK VALUE</u>			
At 30th September 1994	<u>£ 6,490</u>	<u>£ 15,638</u>	<u>£ 22,128</u>
At 30th September 1993	<u>£ 6,161</u>	<u>£ 20,849</u>	<u>£ 27,010</u>

SANGSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1994

9. CAPITAL COMMITMENTS

	<u>1994</u>	<u>1993</u>
Committed under contracts	NIL	NIL
Authorised by the directors but not yet contracted for	NIL	NIL

10. STOCK

	<u>1994</u>	<u>1993</u>
Raw materials and consumables	165,655	165,020
Work in progress	1,070	3,180
Finished goods	7,424	7,255
	<u>£ 174,149</u>	<u>£ 175,455</u>

11. DEBTORS

	<u>1994</u>	<u>1993</u>
<u>Amounts falling due within one year:</u>		
Trade debtors	723,892	832,936
Corporation tax refund	13,422	-
	<u>£ 737,314</u>	<u>£ 832,936</u>

12. CREDITORS

	<u>1994</u>	<u>1993</u>
<u>Amounts falling due within one year:</u>		
Trade creditors	615,641	605,040
Directors' loan accounts	112,728	157,012
Corporation tax	-	12,243
Other taxation and social security costs	25,109	28,921
Accruals	4,200	10,806
	<u>£ 757,678</u>	<u>£ 814,022</u>

SANGSON LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1994

13. DEFERRED TAXATION

<u>1994</u>		<u>1993</u>	
<u>Amount</u> <u>Provided</u>	<u>Total</u> <u>Potential</u> <u>Liability</u>	<u>Amount</u> <u>Provided</u>	<u>Total</u> <u>Potential</u> <u>Liability</u>
<u>£ -</u>	<u>£ -</u>	<u>£ -</u>	<u>£ -</u>

14. SHARE CAPITAL

	<u>Number</u>	<u>Value</u> <u>£</u>
Authorised Ordinary shares of £1 each	<u>500</u>	<u>500</u>
Alloted, issued and fully paid	<u>500</u>	<u>500</u>

15. CONTINGENT LIABILITIES

So far as the directors are aware, there were no contingent liabilities at the year end.