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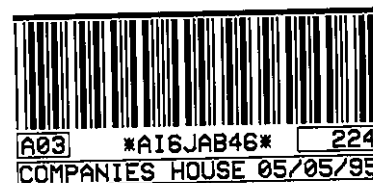
# **GARSDALE KNITWEAR LIMITED**

## *REPORT OF THE DIRECTORS AND ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1994*

78 DICKENSON ROAD  
RUSHOLME  
MANCHESTER  
M14 5HF

AMP/G1

**SADDIQUE & CO**  
CHARTERED ACCOUNTANTS &  
REGISTERED AUDITORS  
TEL : 0161-257-2100  
FAX : 0161-256-3132



# **GARSDALE KNITWEAR LIMITED**

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# **GARSDALE KNITWEAR LIMITED**

## **GENERAL**

### **BUSINESS ADDRESS**

62 CHAPLETOWN STREET  
ANCOATS  
MANCHESTER M1 2WQ

### **DIRECTORS**

MOHAMMAD ARSHAD  
MOHAMMAD ANWAR  
MOHAMMAD HANIF

### **SECRETARY**

MOHAMMAD ANWAR

### **REGISTERED OFFICE**

78 DICKENSON ROAD  
RUSHOLME  
MANCHESTER M14 5HF

### **AUDITORS**

SADDIQUE & CO  
CHARTERED ACCOUNTANTS  
78 DICKENSON ROAD  
RUSHOLME  
MANCHESTER M14 5HF

### **BANKERS**

MIDLAND BANK PLC  
100 KING STREET  
MANCHESTER M60 2HD

**COMPANY NO. 2280350**

# **GARSDALE KNITWEAR LIMITED**

## **REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 31ST DECEMBER 1994**

The Directors present their report on the affairs of the Company, together with the Financial Statements for the year ended 31st December 1994.

### **1. STATEMENT OF 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 affairs of the company and of profit or loss of the company for that period. In preparing those financial statement, the Directors are required to:-

- . select suitable accounting policies and then apply them consistently;
- . make judgements and estimates that are reasonable and prudent;
- . State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- . 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 of 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 the safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **2. PRINCIPAL ACTIVITY AND BUSINESS REVIEW**

The principal activity of the Company continues to be manufacturing and distribution of knitwear garments.

# **GARSDALE KNITWEAR LIMITED**

## **REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 31ST DECEMBER 1994**

### **3. DIRECTORS AND THEIR INTERESTS**

	ORDINARY SHARES OF £1 EACH	
	<u>1994</u>	<u>1993</u>
MOHAMMAD ARSHAD	1500	1500
MOHAMMAD ANWAR	3000	3000
MOHAMMAD HANIF	1325	1500

### **4. DIVIDENDS**

Dividends amounting to £ 47,505 have been paid out of profits for the current financial year.

### **5. AUDITORS**

The auditors, SADDIQUE & CO, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 31st August 1992.

The report was approved by the board on 31st March 1995. In preparing this report, the Directors have taken advantage of special exemptions available to small companies.

**BY THE ORDER OF THE BOARD**

**SECRETARY**

*M. Arshad*

## **REPORT OF THE AUDITORS TO THE MEMBERS OF GARSDALE KNITWEAR LIMITED**

We have audited the financial statements set out on pages 5 to 11 which have been prepared under the historical cost convention and accounting policies set out on page seven.

### **Respective responsibilities of Directors and Auditors**

As described on page two 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 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 as at 31st December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the companies Act 1985 applicable to small companies.

78 Dickenson Road  
Rusholme  
Manchester M14 5HF

Date 2.4.95



**SADDIQUE & CO**  
Registered Auditors &  
Chartered Accountants

# GARSDALE KNITWEAR LIMITED


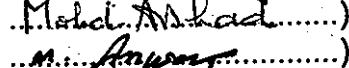
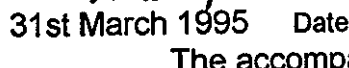
## BALANCE SHEET AS AT 31ST DECEMBER 1994

	Notes	£	1994 £	£	1993 £
<b>FIXED ASSETS</b>					
Tangible Assets	2		584,943		430,041
<b>CURRENT ASSETS</b>					
Stock	1c	149,185		128,158	
Debtors and prepayments	6	220,954		118,492	
Cash in hand		3,559		59,845	
			<u>373,698</u>		<u>306,495</u>
<b>TOTAL ASSETS</b>			<u>958,641</u>		<u>736,536</u>
<b>CURRENT LIABILITIES</b>					
Amounts due within one year	7		(306,066)		(217,019)
			<u>652,575</u>		<u>519,517</u>
<b>ASSETS LEES CURRENT LIABILITIES</b>					
Amounts due after more than one year	8		(220,174)		(99,280)
<b>NET ASSETS</b>			<u>£ 432,401</u>		<u>£ 420,237</u>
			=====		=====

### FINANCED BY:

Share Capital	9	9,000	9,000
Directors Loan Account		11,178	11,178
Retained Profit		355,238	353,319
Deferred Taxation	10	56,985	46,740
		<u>£432,401</u>	<u>£420,237</u>
		=====	=====

The directors have taken advantage in preparing these accounts, of special exemptions available to small companies on the grounds that the company is a small company by virtue of Section 247 of the Companies Act 1985. These accounts were approved by the board on 31st March 1995 and signed on its behalf.

  
  
  
 31st March 1995 Date

The accompanying notes form an integral part of these account

**GARSDALE KNITWEAR LIMITED**  
**TRADING AND PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 1994**

	Notes	1994	1993
	£	£	£
<b>Sales</b>	<b>1e</b>	<b>1,628,275</b>	<b>1,126,382</b>
<b>Less: Cost of sales</b>		<b>(1,385,961)</b>	<b>(931,482)</b>
<b>Gross Profit</b>		<b>242,314</b>	<b>194,900</b>
Rent Received		916	4,264
Discounts Received		573	493
Regional Selective Assistance		-	12,500
Profit on sale of Machinery		575	-
		<b>244,378</b>	<b>212,157</b>
<b>Selling and Distribution Expenses</b>	<b>12,562</b>		<b>9,906</b>
<b>Administration Expenses</b>	<b>166,051</b>	<b>(178,613)</b>	<b>(156,246)</b>
<b>Profit before Taxation</b>	<b>4</b>	<b>65,765</b>	<b>55,911</b>
<b>Taxation</b>	<b>5</b>	<b>(16,341)</b>	<b>(12,153)</b>
<b>Profit after Taxation</b>		<b>49,424</b>	<b>43,758</b>
<b>Dividends</b>		<b>(47,505)</b>	<b>-</b>
<b>Retained Profit Brought forward</b>		<b>353,319</b>	<b>309,561</b>
<b>Retained Profit carried forward</b>		<b>355,238</b>	<b>353,319</b>



# **GARSDALE KNITWEAR LIMITED**

## **NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31ST DECEMBER 1994**

### **1. STATEMENT OF ACCOUNTING POLICIES**

#### **a) Basis of preparation of accounts**

The financial statements are prepared under the historical cost convention.

The company has taken advantage of exemption in Financial Reporting Standard No.1 from the requirement to produce cashflow statement on the grounds that it is a small company.

#### **b) Tangible Fixed Assets and Depreciation**

All Tangible Fixed Assets of the Company are stated at cost, and are depreciated over their expected lives or anticipated length of use by the Company in order to write off the cost less estimated residual value.

Depreciation is charged using Reducing Balance basis for Motor Vehicles, Machinery and Fixtures & Fittings, and Straight Line basis for property. The rates used are as follows;

	%
Plant & Machinery	10
Fixtures & Fittings	15
Motor vehicles	25
Property	4

#### **c) Stocks and work-in-progress**

Stocks and work-in-progress 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 manufacturing overheads.

#### **d) Deferred Taxation**

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the Directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

#### **e) Turnover**

Turnover comprises the value of sales of goods in the normal course of business, stated net of credits, allowances, trade discounts and VAT.

# GARSDALE KNITWEAR LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1994

### 2. TANGIBLE FIXED ASSETS

Net Book Value representing cost less accumulated depreciation as shown in the Balance Sheet comprises as follows:

	<u>Freehold Property</u> £	<u>Plant &amp; Machinery</u> £	<u>Fixtures &amp; Fittings</u> £	<u>Motor Vehicle</u> £	<u>TOTAL</u> £
Cost as at 01/01/94	63,575	681,014	18,455	18,058	781,102
Additions at cost	-	326,550	9,730	-	336,280
Disposals at cost	-	(116,170)	-	-	(116,170)
Cost as at 31/12/94	<u>63,575</u>	<u>891,394</u>	<u>28,185</u>	<u>18,058</u>	<u>1,001,212</u>
Depreciation Balance b/f	22,073	309,603	5,904	13,481	351,061
Adjustments for disposals	-	-	-	-	-
Charge for the year	2,543	58,179	3,342	1,144	65,208
Depreciation as at 31/12/94	<u>24,616</u>	<u>367,782</u>	<u>9,246</u>	<u>14,625</u>	<u>416,269</u>
Net Book Value as at 31/12/94	<u>38,959</u>	<u>523,612</u>	<u>18,939</u>	<u>3,433</u>	<u>584,943</u>
Net book value As at 31/12/93	<u>41,502</u>	<u>371,411</u>	<u>12,551</u>	<u>4,577</u>	<u>430,041</u>

# GARSDALE KNITWEAR LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1994

### 3. BANK OVERDRAFT

Bank overdraft facility is secured against Directors' personal guarantees as well as a fixed and floating charge over all the assets of the company.

	1994 £	1993 £
<b>4. PROFIT BEFORE TAXATION</b>		
Directors Remuneration	54,600	53,745
Auditors Remuneration	1,750	1,750
Depreciation	65,208	46,736
	<u>=====</u>	<u>=====</u>

### 5. CORPORATION TAX

Corporation Tax has been charged on taxable profits at the rates applicable during the Company's accounting year. The charge to Profit and Loss account comprises:-

Provision for Corporation Tax	6,096	5,817
Transfer to/(from) deferred taxation account	10,245	6,336
Under (Over) provision for previous year	-	-
	<u>=====</u>	<u>=====</u>
	£16,341	£12,153

### 6. DEBTORS AND PREPAYMENTS

Trade Debtors	191,063	110,976
HM Customs & Excise	3,322	-
Prepayments	2,097	1,680
Advanced Corporation Tax	12,711	836
Private loan	5,000	5,000
Lombard North PLC	6,761	-
	<u>=====</u>	<u>=====</u>
	£ 220,954	£118,492

# GARSDALE KNITWEAR LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1994

	1994 £	1993 £
<b>7.CURRENT LIABILITIES-AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Trade Creditors	275,503	192,504
Others	6,543	6,886
PAYE	4,421	3,643
H.P.Creditors	-	1,991
Corporation Tax	11,913	5,817
Customs & Excise	-	6,178
Bank overdraft	7,686	-
	<u>£ 306,066</u>	<u>£ 217,019</u>
	=====	=====

## 8.CURRENT LIABILITIES -AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

H.P.Creditors	220,174	99,280
	<u>£ 220,174</u>	<u>£ 99,280</u>
	=====	=====

## 9.SHARE CAPITAL

	Ordinary shares of £1 each	
Authorised	10,000	10,000
	=====	=====
Issued and fully paid up	9,000	9,000
	=====	=====

## 10.DEFERRED TAXATION ACCOUNT

Balance Brought Forward	46,740	40,404
Transfer to Profit and Loss Account	10,245	6,336
	<u>£ 56,985</u>	<u>£46,740</u>
	=====	=====

# **GARSDALE KNITWEAR LIMITED**

## **NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31ST DECEMBER 1994**

	1994 £	1993 £
<b>11.DIRECTORS REMUNERATION</b>		
M.. ARSHAD	18,200	17,915
M..ANWAR	18,200	17,915
M. HANIF	18,200	17,915
	<u>£ 54,600</u> =====	<u>£ 53,745</u> =====

**12.**There were no capital commitments at the Balance Sheet date.

**13.**There have been no events since the Balance Sheet date which affect the position of the Company.