

GARSDALE KNITWEAR LIMITED

COMPANY NO. 01765714 ENGLAND AND WALES

REPORT OF THE DIRECTOR AND ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2005

78 DICKENSON ROAD
RUSHOLME
MANCHESTER
M14 5HF

SADDIQUE & CO
CHARTERED ACCOUNTANTS &
REGISTERED AUDITORS
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COMP.2/G.1



GARSDALE KNITWEAR LIMITED

DIRECTOR REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

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The following page does not form part of the statutory accounts

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT	Appendix 1
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GARSDALE KNITWEAR LIMITED GENERAL

BUSINESS ADDRESS

64 CHAPLE TOWN STREET
ANCOATS
MANCHESTER M1 2WQ

DIRECTOR

MOHAMMAD ARSHAD

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

NATIONAL WESTMINSTER BANK PLC
P.O.BOX 305
SPRING GARDENS
MANCHESTER M60 2DB

COMPANY NO. 01765714 ENGLAND AND WALES

GARSDALE KNITWEAR LIMITED

REPORT OF THE DIRECTOR

FOR THE YEAR ENDED 31 DECEMBER 2005

The director present his report on the affairs of the Company, together with the Financial Statements for the year ended 31 December 2005.

PRINCIPAL ACTIVITY

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

DIVIDENDS

No dividend has been paid during the year.

DIRECTORS AND THEIR INTERESTS

The director in office in the year and their beneficial interests in the company's issued ordinary share capital were as follows:

	At 31 December 2005	At 31 December 2004
	Ordinary shares of £ 1 each	Ordinary shares of £ 1 each
MOHAMMAD ARSHAD	2,000	2,000

The report was approved by the board on 1st June 2006.

In preparing this report, the directors have taken advantage of special exemptions conferred by part II of the Companies Act 1985 on the grounds that, in the opinion of the directors, the company is entitled to those exemptions as a small company.

SIGNED ON BEHALF OF THE BOARD

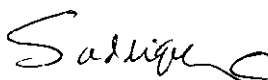
M. ANWAR
SECRETARY



ACCOUNTANTS REPORT
TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF
GARSDALE KNITWEAR LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2005

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2005 set out on pages 4 to 9 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfill your statutory responsibilities, from the accounting records and information and explanations supplied to us.

78 DICKINSON ROAD
RUSHOLME
MANCHESTER M14 5HF


SADDIQUE & CO
Chartered Accountants &
Registered Auditors

Date: 1ST June 2006

GARSDALE KNITWEAR LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2005

	Notes	2005	2004
		£	£
FIXED ASSETS			
Tangible Assets	2	353,228	391,899
CURRENT ASSETS			
Stocks	1c	65,588	47,760
Debtors	6	221,483	208,682
Cash at Bank & in hand		1,703	1,286
		<u>288,774</u>	<u>257,728</u>
CREDITORS: Amounts falling due within one year	7	(110,466)	(113,312)
NET CURRENT ASSETS/(LIABILITIES)		<u>178,308</u>	<u>144,416</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>531,536</u>	<u>536,315</u>
CREDITORS: Amounts falling due after more than one year	7A	-	(6,807)
PROVISION FOR LIABILITIES AND CHARGES	9	(51,168)	(54,438)
NET ASSETS		<u><u>£480,368</u></u>	<u><u>£475,070</u></u>
<i>CAPITAL AND RESERVES:</i>			
Called-up Share Capital	8	9,000	9,000
Profit and Loss Account		471,368	466,070
		<u><u>£480,368</u></u>	<u><u>£475,070</u></u>

The notes on page 6 to 9 form an integral part of these accounts.

The accounts were approved by the director on 1st June 2006.

For the year in question, the company was entitled to exemption from an audit under s249A (1) of the Companies Act 1985. No notice has been deposited under s249B (2) of the act in relation to the accounts for the year. The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 185, and :
- (b) for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and its profit or loss for the year then ended in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of that Act relating to the accounts, so far as applicable to the company. The accounts are prepared in accordance with the special provision of part VII of the Companies Act 1985 relating to small companies with the Financial Reporting Standard for smaller Entities.



Mohammad Arshad

GARSDALE KNITWEAR LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £	2004 £
Turnover	1e	354,410	597,163
Less: Cost of sales		(294,196)	(522,665)
Gross Profit		<u>60,214</u>	<u>74,498</u>
Selling and Distribution Expenses		(13,275)	(11,483)
Administration Expenses		(41,602)	(54,257)
Operating profit	4	<u>5,337</u>	<u>8,758</u>
Interest payable & similar charges	10	(767)	(2,897)
Profit on ordinary activities before Taxation		<u>4,570</u>	<u>5,861</u>
Tax on profit on ordinary activities	5	728	11,513
Profit for the financial year		<u>5,298</u>	<u>(5,652)</u>
Dividends paid		-	-
Retained Profit for the year		<u>5,298</u>	<u>(5,652)</u>
Retained profit at 1 January 2005		466,070	471,722
Retained Profit at 31 December 2005		<u><u>471,368</u></u>	<u><u>466,070</u></u>

GARSDALE KNITWEAR LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

1. STATEMENT OF ACCOUNTING POLICIES

a) Basis of preparation of accounts

The financial statements are prepared under the historical cost accounting rules and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

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, 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

The company's freehold property is included at its cost. The directors are of the opinion that there is no material difference in its historical cost and its open market value and therefore no revaluation has been carried out.

c) Stocks and work-in-progress

Stocks and work-in-progress are valued at the lower of cost and net realizable 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.

f) Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are capitalised as fixed assets and depreciated in accordance with the company's normal policy.

The outstanding liabilities under such agreements less interest not yet due are included in creditors. Interest on such agreements is charged to profit and loss account over the term of each agreement and represents a constant proportion of the balance of capital repayments outstanding.

GARSDALE KNITWEAR LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

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 & Machinery</u> £	<u>Fixtures & Fittings</u> £	<u>Motor Vehicle</u> £	<u>TOTAL</u> £
Cost as at 01/01/05	63,575	1,244,138	49,381	29,711	1,386,805
Additions at cost	-	-	1,271	-	1,271
Disposals at cost	-	-	-	-	-
Cost as at 31/12/05	63,575	1,244,138	50,653	29,711	1,388,076
Depreciation					
Balance b/f	44,855	890,067	37,591	22,393	994,906
Adjustment for disposal	-	-	-	-	-
Charge for the year	748	35,407	1,959	1,829	39,943
Depreciation as at 31/12/05	45,603	925,474	39,550	24,222	1,034,849
Net Book Value as at 31/12/05	17,972	318,664	11,103	5,489	353,228
Net book value As at 31/12/04	18,720	354,071	11,790	7,318	391,899

GARSDALE KNITWEAR LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

3. BANK OVERDRAFT

Bank overdraft facility is secured against a first legal mortgage over freehold property and unscheduled mortgage debenture incorporating a fixed and floating charge over all current and future assets of the company.

2005	2004
£	£

4. OPERATING PROFIT

The operating profit is stated after charging:

Directors emoluments	4,199	15,168
Depreciation of fixed assets: owned	38,114	44,642
	<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:-

UK Corporation Tax	2,542	2,758
Deferred tax (note 10)	(3,270)	9,942
Under (over) provision for previous year	-	-
	<u>(728)</u>	<u>12,700</u>

6. DEBTORS

Trade Debtors	182,952	193,204
H M Customs & Excise	2,508	15,478
Private Loan	36,023	-
	<u>£221,483</u>	<u>£208,682</u>

GARSDALE KNITWEAR LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2005

	2005	2004
	£	£
7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade Creditors	85,932	103,145
Others creditors	3,500	6,935
Bank overdraft	18,493	474
Corporation Tax	2,541	2,758
	<u>£110,466</u>	<u>£113,312</u>

7A. CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR

Obligation under Hire Purchase contract (secured)

H P Loan	-	6,807
	<u>-</u>	<u>£6,807</u>

8. CALLED UP SHARE CAPITAL

	Ordinary shares of £1 each	
Authorised	9,000	9,000
Allotted, called up and fully paid	<u>9,000</u>	<u>9,000</u>

9. PROVISION FOR LIABILITIES AND CHARGES

Balance at 31-12-04	54,438	44,496
Transfer to Profit & Loss Account	(3,270)	9,942
Balance at 31-12-05	<u>51,168</u>	<u>54,438</u>

10. INTEREST PAYABLE AND SIMILIAR CHARGES

Interest payable	767	2,897
	<u>767</u>	<u>2,897</u>