

GARSDALE KNITWEAR LIMITED

COMPANY NO. 01765714 ENGLAND AND WALES

REPORT OF THE DIRECTOR AND ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

78 DICKENSON ROAD
RUSHOLME
MANCHESTER
M14 5HF

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

MSWA79/G.1



GARSDALE KNITWEAR LIMITED

DIRECTOR REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 2004

CONTENTS	PAGE
GENERAL	1
REPORT OF THE DIRECTORS	2
REPORT OF THE ACCOUNTANTS	3
PROFIT AND LOSS ACCOUNT	4
BALANCE SHEET	5
NOTES TO THE ACCOUNTS	6-9
The following page does not form part of the statutory accounts	
DETAILED TRADING AND PROFIT AND LOSS ACCOUNT	Appendix 1

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 2004

The director present his report on the affairs of the Company, together with the Financial Statements for the year ended 31 December 2004.

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 2004	At 31 December 2003
	Ordinary shares of £ 1 each	Ordinary shares of £ 1 each
MOHAMMAD ARSHAD	2,000	2,000

The report was approved by the board on 25 October 2005.

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.

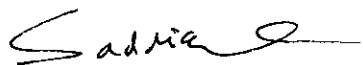
SIGNED ON BEHALF OF THE BOARD


M. ANWAR
SECRETARY

ACCOUNTANTS REPORT
TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS OF
GARSDALE KNITWEAR LIMITED
FOR THE YEAR ENDED 31 DECEMBER 2004

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2004 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: 25 October 2005

GARSDALE KNITWEAR LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2004 £	2003 £
Turnover	1e	597,163	477,586
Less: Cost of sales		(522,665)	(352,558)
Gross Profit		<u>74,498</u>	<u>125,028</u>
Selling and Distribution Expenses		(11,483)	(25,008)
Administration Expenses		(54,257)	(91,468)
Operating profit	4	<u>8,758</u>	<u>8,552</u>
Interest payable & similar charges	10	(2,897)	(5,433)
Profit on ordinary activities before Taxation		<u>5,861</u>	<u>3,119</u>
Tax on profit on ordinary activities	5	12,700	(14,323)
Profit for the financial year		<u>(6,839)</u>	<u>17,442</u>
Dividends paid		-	(33,000)
Retained Profit for the year		<u>(6,141)</u>	<u>(15,558)</u>
Retained profit at 1 January 2004		471,722	487,280
Retained Profit at 31 December 2004		<u><u>464,883</u></u>	<u><u>471,722</u></u>

GARSDALE KNITWEAR LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2004

	Notes	2004	2003
		£	£
FIXED ASSETS			
Tangible Assets	2	391,899	434,767
CURRENT ASSETS			
Stocks	1c	46,573	141,121
Debtors	6	208,682	252,214
Cash at Bank & in hand		1,286	797
		<u>256,541</u>	<u>394,132</u>
CREDITORS: Amounts falling due within one year	7	(113,312)	(272,539)
NET CURRENT ASSETS/(LIABILITIES)		<u>143,229</u>	<u>121,593</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>535,128</u>	<u>556,360</u>
CREDITORS: Amounts falling due after more than one year	7A	(6,807)	(31,142)
PROVISION FOR LIABILITIES AND CHARGES	9	(54,438)	(44,496)
NET ASSETS		<u>£473,883</u>	<u>£480,722</u>
<i>CAPITAL AND RESERVES:</i>			
Called-up Share Capital	8	9,000	9,000
Profit and Loss Account		464,883	471,722
		<u>£473,883</u>	<u>£480,722</u>

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

The accounts were approved by the director on 25 October 2005.

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 V11 of the Companies Act 1985 relating to small companies with the Financial Reporting Standard for smaller Entities.

Mohammad Arshad

Mohammad Arshad

GARSDALE KNITWEAR LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

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 2004

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 01/01/04	63,575	1,243,328	48,417	29,711	1,385,031
Additions at cost	-	810	964	-	1,774
Disposals at cost	-	-	-	-	-
Cost as at 31/12/04	63,575	1,244,138	49,381	29,711	1,386,805
Depreciation					
Balance b/f	44,075	850,726	35,510	19,953	950,264
Adjustment for disposal	-	-	-	-	-
Charge for the year	780	39,341	2,081	2,440	44,642
Depreciation as at 31/12/04	44,855	890,067	37,591	22,393	994,906
Net Book Value as at 31/12/04	18,720	354,071	11,790	7,318	391,899
Net book value As at 31/12/03	19,500	392,602	12,907	9,758	434,767

GARSDALE KNITWEAR LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

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.

2004	2003
£	£

4. OPERATING PROFIT

The operating profit is stated after charging:

Directors emoluments	15,168	37,882
Depreciation of fixed assets: owned	44,642	49,964

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	2,758	1,238
Deferred tax (note 10)	9,942	(15,561)
Under (Over) provision for previous year	-	-
	<u>£ 12,700</u>	<u>£ (14,323)</u>

6. DEBTORS

Trade Debtors	193,204	178,379
H M Customs & Excise	15,478	13,835
Private Loan	-	60,000
	<u>£208,682</u>	<u>£252,214</u>

GARSDALE KNITWEAR LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2004

	2004 £	2003 £
7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade Creditors	103,145	184,007
Others creditors	6,935	16,770
Bank overdraft	474	70,524
Corporation Tax	2,758	1,238
	<u>£113,312</u>	<u>£272,539</u>
7A.CREDITORS: AMOUNTS FALLING DUE IN MORE THAN ONE YEAR		
Obligation under Hire Purchase contract (secured)		
Bank Loan	-	3,800
H P Loan	6,807	27,342
	<u>£ 6,807</u>	<u>£ 31,142</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 31-12-03	44,496	60,057
Transfer to Profit & Loss Account	9,942	(15,561)
Balance at 31-12-04	<u>54,438</u>	<u>44,496</u>
10. INTEREST PAYABLE AND SIMILIAR CHARGES		
Interest payable	2,897	5,433
	<u>£ 2,897</u>	<u>£5,433</u>