

# GARSDALE KNITWEAR LIMITED

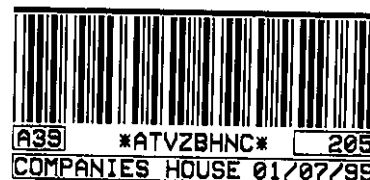
COMPANY NO. 01765714

*REPORT OF THE DIRECTORS  
AND  
ACCOUNTS  
FOR THE YEAR ENDED  
31 DECEMBER 1998*

78 DICKENSON ROAD  
RUSHOLME  
MANCHESTER  
M14 5HF

AMPA1\MSZ\G1

**SADDIQUE & CO**  
CHARTERED ACCOUNTANTS &  
REGISTERED AUDITORS  
TEL : 0161-257-2100  
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# **GARSDALE KNITWEAR LIMITED**

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**FOR THE YEAR ENDED 31 DECEMBER 1998**

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# **GARSDALE KNITWEAR LIMITED**

## **GENERAL**

### **BUSINESS ADDRESS**

64 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**

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

**COMPANY NO. 01765714**

# **GARSDALE KNITWEAR LIMITED**

## **REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 31 DECEMBER 1998**

The directors present their report on the affairs of the Company, together with the Financial Statements for the year ended 31 December 1998.

### **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 that of manufacturing and distribution of knitwear garments.

# **GARSDALE KNITWEAR LIMITED**

## **REPORT OF THE DIRECTORS**

**FOR THE YEAR ENDED 31 DECEMBER 1998**

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

The directors who served during the year and the interests in the shares of the company of those serving at the end of the year were as follows:

	At 31 December 1998	At 31 December 1997
	Ordinary shares of £ 1 each	Ordinary shares of £ 1 each
MOHAMMAD ARSHAD	2,000	2,000
MOHAMMAD ANWAR	2,000	2,000
MOHAMMAD HANIF	1,000	1,000

### **4. DIVIDENDS**

Dividends amounting to £ 56,000 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 14 May 1999. In preparing this report, the directors have taken advantage of special exemptions available to small companies.

**BY THE ORDER OF THE BOARD**

**M. ANWAR  
SECRETARY**



## **AUDITORS' REPORT TO THE SHAREHOLDERS OF GARSDALE KNITWEAR LIMITED**

We have audited the accounts on pages 5 to 11 which have been prepared in accordance with the 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 accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts are free from material misstatement, whether caused by fraud or other irregularity or error. The scope of our audit was limited because we did not attend the year end stocktake and the stocks are therefore stated at the directors' valuation of £65,545. There were no alternative audit tests available to us to verify the valuation. Any adjustment to this valuation would have an equivalent effect on the results and the net assets.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

### **Opinion**

Except for any adjustment that might have been found to be necessary had we been able to verify the stock value, in our opinion the accounts give a true and fair view of the state of company's affairs as at 31 December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

78 DICKINSON ROAD  
RUSHOLME  
MANCHESTER M14 5HF

Date 14 May 1999

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

**GARSDALE KNITWEAR LIMITED**  
**TRADING AND PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1998**

	Notes	1998	1997
		£	£
<b>Sales</b>	1e	2,294,075	1,555,645
Insurance claim		-	16,492
		<u>2,294,075</u>	<u>1,572,137</u>
<b>Less: Cost of sales</b>		(1,912,838)	(1,331,581)
<b>Gross Profit</b>		<u>381,237</u>	<u>240,556</u>
Discounts Received		3,301	10,070
Profit on sale of motor vehicle		-	2,029
		<u>384,538</u>	<u>252,655</u>
Selling and Distribution Expenses	123,305		21,800
Adminstration Expenses	173,593		174,532
		<u>(296,898)</u>	<u>(196,332)</u>
Profit on ordinary activities before Taxation	4	<u>87,640</u>	<u>56,323</u>
Tax on profit on ordinary activities	5	(17,015)	(4,046)
Profit for the financial year		<u>70,625</u>	<u>52,277</u>
Dividends paid		(56,000)	(30,000)
Retained Profit Brought forward		439,313	417,036
<b>Retained Profit for the financial year</b>		<u>453,938</u> =====	<u>439,313</u> =====

There were no recognised gains and losses either in the current or preceeding year other than those included in the profit and loss account.

# GARSDALE KNITWEAR LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 1998

	Notes	1998	1997
		£	£
<b>FIXED ASSETS</b>			
Tangible Assets	2	603,259	598,085
<b>CURRENT ASSETS</b>			
Stocks	1c	65,545	61,016
Debtors and prepayments	6	351,163	684,613
Cash in hand & at Bank		135,500	45,082
		<u>552,208</u>	<u>790,711</u>
<b>CREDITORS: Amounts due within one year</b>	7	<u>(557,753)</u>	<u>(764,408)</u>
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>(5,545)</u>	<u>26,303</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>597,714</u>	<u>624,388</u>
Amounts due after more than one year	8	<u>(57,778)</u>	<u>(101,111)</u>
<b>NET ASSETS</b>		<u>£539,936</u>	<u>£523,277</u>
<b>CAPITAL AND RESERVES:</b>			
Called-up Share Capital	9	9,000	9,000
Directors Loan Account		10,099	10,099
Retained Profit		453,938	439,313
Deferred Taxation	10	66,899	64,865
		<u>£ 539,936</u>	<u>£ 523,277</u>

The accounts have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities. These accounts were approved by the board of directors on 14 May 1999 and signed on its behalf by:

  
 MOHAMMAD ARSHAD  
 DIRECTOR

The accompanying notes form an integral part of these accounts.



# GARSDALE KNITWEAR LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1998

### 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.

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 31 DECEMBER 1998**

**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> £
<b>Cost as at</b> 01/01/98	63,575	1,082,523	29,919	12,361	1,188,378
Additions at cost	-	65,000	9,082	-	74,082
Disposals at cost	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Cost as at</b> 31/12/98	63,575	1,147,523	39,001	12,361	1,262,460
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
Balance b/f	32,245	537,995	16,963	3,090	590,293
Adjustment for disposal	-	-	-	-	-
Charge for the year	2,543	60,952	3,095	2,318	68,908
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<b>Depreciation</b> as at 31/12/98	34,788	598,947	20,058	5,408	659,201
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b> as at 31/12/98	28,787	548,576	18,943	6,953	603,259
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b> As at 31/12/97	31,330	544,528	12,956	9,271	598,085
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# GARSDALE KNITWEAR LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1998

### 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.

1998	1997
£	£

### 4. PROFIT BEFORE TAXATION

The following items have been charged in arriving at this figure.

Directors Remuneration	62,400	62,400
Auditors Remuneration	2,350	2,150
Depreciation	68,908	68,423
	=====	=====

### 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	14,962	7,692
Transfer to/(from) deferred taxation account	2,034	(3,665)
Under (Over) provision for previous year	19	19
	£ 17,015	£ 4,046
	=====	=====

### 6. DEBTORS AND PREPAYMENTS

Trade Debtors	255,002	666,510
Advanced Corporation Tax	14,427	7,500
A.C.T on directors Loan	836	836
HM Customs & Excise	80,898	9,767
	£351,163	£684,613
	=====	=====

# GARSDALE KNITWEAR LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1998

	1998 £	1997 £
<b>7.CURRENT LIABILITIES:AMOUNTS FALLING DUE WITHIN ONE YEAR</b>		
Trade Creditors	515,641	734,708
Others creditors and accruals	22,150	17,850
H.P.Creditors	-	4,158
Corporation Tax	14,962	7,692
ACT Payable	5,000	-
	<u>£557,753</u>	<u>£764,408</u>
	=====	=====

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

H.P.Creditors	57,778	101,111
	<u>£57,778</u>	<u>£101,111</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	64,865	68,530
Transfer to(from) Profit and Loss Account	2,034	(3,665)
	<u>£66,899</u>	<u>£64,865</u>
	=====	=====

# **GARSDALE KNITWEAR LIMITED**

## **NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 DECEMBER 1998**

	1998 £	1997 £
<b>11.DIRECTORS' REMUNERATION</b>		
M.. ARSHAD	20,800	20,800
M..ANWAR	20,800	20,800
M. HANIF	20,800	20,800
	<u>£ 62,400</u> =====	<u>£ 62,400</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.