

REGISTERED NUMBER 01938431 (England and Wales)

Abbreviated Accounts

for the Year Ended

31 March 2010

for

G D Yarns Limited



G D Yarns Limited

Contents of the Abbreviated Accounts
for the Year Ended 31 March 2010

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors on the Abbreviated Accounts	4
Abbreviated Profit and Loss Account	5
Abbreviated Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Abbreviated Accounts	10

G D Yarns Limited

Company Information
for the Year Ended 31 March 2010

DIRECTORS.

P K Passi
Mrs A Passi
Mrs T P Green

SECRETARY.

Mrs A Passi

REGISTERED OFFICE

C/o G D Yarns Limited
Pawan House
200 Gorton Road
Manchester
Greater Manchester
M12 5DX

REGISTERED NUMBER:

01938431 (England and Wales)

AUDITORS.

T F & Partners Limited
Chartered Accountants & Registered Auditors
New Maxdov House
130 Bury New Road
Prestwich
Manchester
Lancashire
M25 0AA

BANKERS:

Barclays Bank plc
25 Cheetham Hill Road
Manchester
Greater Manchester
M4 4FL

The directors present their report with the accounts of the company for the year ended 31 March 2010

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of a yarn merchant

REVIEW OF BUSINESS

The company continues to maintain its standing within the market and even with a higher than expected amount of bad debt this year still continues to produce a profit for the year

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2010

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2009 to the date of this report

P K Passi
Mrs A Passi
Mrs T P Green

INTRODUCTION OF THE EURO

In the opinion of the directors, the introduction of the Euro will not have a significant impact on the company's activities

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

G D Yarns Limited

Report of the Directors
for the Year Ended 31 March 2010

AUDITORS

The auditors, T F & Partners Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting

ON BEHALF OF THE BOARD



P K Passi - Director

Date 29th November 2010

Report of the Independent Auditors to
G D Yarns Limited
Under Section 449 of the Companies Act 2006

We have examined the abbreviated accounts set out on pages five to sixteen, together with the full financial statements of G D Yarns Limited for the year ended 31 March 2010 prepared under Section 396 of the Companies Act 2006

This report is made solely to the company, in accordance with Section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section and to report our opinion to you.

Basis of opinion

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 445(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that Section.

C Marsden

Caroline Marsden (Senior Statutory Auditor)
for and on behalf of T F & Partners Limited
Chartered Accountants & Registered Auditors
New Maxdov House
130 Bury New Road
Prestwich
Manchester
Lancashire
M25 0AA

Date 29.11.2010

G D Yarns Limited

Abbreviated Profit and Loss Account
for the Year Ended 31 March 2010

	Notes	2010 £	£	2009 £	£
TURNOVER			14,689,895		14,755,708
Cost of sales and other operating income			(11,792,227)		(12,032,099)
			2,897,668		2,723,609
Administrative expenses			1,243,699		2,594,010
OPERATING PROFIT	3		1,653,969		129,599
Income from fixed asset investments		221		1,027	
Interest receivable and similar income		532		355	
			753		1,382
			1,654,722		130,981
Movement in investments	4		(3,200)		(1,182)
			1,657,922		132,163
Interest payable and similar charges	5		94,054		94,651
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			1,563,868		37,512
Tax on profit on ordinary activities	6		447,812		7,167
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			1,116,056		30,345

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these abbreviated accounts

G.D. Yarns Limited

Abbreviated Balance Sheet
31 March 2010

		2010	2009
	Notes	£	£
FIXED ASSETS			
Tangible assets	7	48,260	41,417
CURRENT ASSETS			
Stocks	8	1,675,978	2,066,670
Debtors	9	7,119,198	6,717,248
Investments	10	15,499	12,300
Cash at bank		528,868	396,942
		<u>9,339,543</u>	<u>9,193,160</u>
CREDITORS			
Amounts falling due within one year	11	<u>3,198,454</u>	<u>4,160,784</u>
NET CURRENT ASSETS		<u>6,141,089</u>	<u>5,032,376</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,189,349</u>	<u>5,073,793</u>
PROVISIONS FOR LIABILITIES	12	<u>1,546</u>	<u>2,046</u>
NET ASSETS		<u><u>6,187,803</u></u>	<u><u>5,071,747</u></u>
CAPITAL AND RESERVES			
Called up share capital	13	40,001	40,001
Profit and loss account	14	<u>6,147,802</u>	<u>5,031,746</u>
SHAREHOLDERS' FUNDS	19	<u><u>6,187,803</u></u>	<u><u>5,071,747</u></u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to medium-sized companies

The financial statements were approved by the Board of Directors on 29.11.2010 and were signed on its behalf by



P K Passi - Director

The notes form part of these abbreviated accounts

G D Yarns Limited

**Cash Flow Statement
for the Year Ended 31 March 2010**

	Notes	2010 £	2009 £
Net cash inflow/(outflow) from operating activities	1	1,031,443	(825,541)
Returns on investments and servicing of finance	2	(93,301)	(93,269)
Taxation		(9,212)	(7,683)
Capital expenditure	2	(21,475)	(9,878)
		907,455	(936,371)
Financing	2	(775,529)	1,106,413
Increase in cash in the period		131,926	170,042
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		131,926	170,042
Cash outflow from increase in liquid resources		3,199	1,183
Change in net funds resulting from cash flows		135,125	171,225
Movement in net funds in the period		135,125	171,225
Net funds at 1 April		409,242	238,017
Net funds at 31 March		544,367	409,242

The notes form part of these abbreviated accounts

1 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2010 £	2009 £
Operating profit	1,653,969	129,599
Depreciation charges	13,712	11,078
Loss on disposal of fixed assets	922	-
Rounding	(2)	1
Decrease in stocks	390,692	26,991
Increase in debtors	(401,950)	(1,645,703)
(Decrease)/Increase in creditors	(625,900)	652,493
Net cash inflow/(outflow) from operating activities	1,031,443	(825,541)

2 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2010 £	2009 £
Returns on investments and servicing of finance		
Interest received	532	355
Interest paid	(94,054)	(94,651)
Dividends received	221	1,027
Net cash outflow for returns on investments and servicing of finance	(93,301)	(93,269)
Capital expenditure		
Purchase of tangible fixed assets	(24,475)	(9,878)
Sale of tangible fixed assets	3,000	-
Net cash outflow for capital expenditure	(21,475)	(9,878)
Financing		
Amount introduced by directors	87,474	1,121,371
Amount withdrawn by directors	(863,003)	(14,958)
Net cash (outflow)/inflow from financing	(775,529)	1,106,413

The notes form part of these abbreviated accounts

3 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 4 09 £	Cash flow £	At 31 3 10 £
Net cash			
Cash at bank	396,942	131,926	528,868
	<u>396,942</u>	<u>131,926</u>	<u>528,868</u>
Liquid resources			
Current asset investments	12,300	3,199	15,499
	<u>12,300</u>	<u>3,199</u>	<u>15,499</u>
Total	<u>409,242</u>	<u>135,125</u>	<u>544,367</u>

The notes form part of these abbreviated accounts

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery	- 15% on cost
Fixtures and fittings	- 33% on cost
Motor vehicles	- 25% on reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate

2 STAFF COSTS

	2010 £	2009 £
Wages and salaries	342,422	1,581,241
Social security costs	34,502	193,984
Other pension costs	25,000	25,000
	<u>401,924</u>	<u>1,800,225</u>

2 STAFF COSTS - continued

The average monthly number of employees during the year was as follows

	2010	2009
Administration & sales	<u>14</u>	<u>14</u>

3 OPERATING PROFIT

The operating profit is stated after charging

	2010 £	2009 £
Hire of plant and machinery	7,364	7,364
Depreciation - owned assets	13,712	11,079
Loss on disposal of fixed assets	922	-
Auditors' remuneration	<u>6,200</u>	<u>5,995</u>
Directors' remuneration	<u>156,899</u>	<u>1,411,829</u>

The number of directors to whom retirement benefits were accruing was as follows

Money purchase schemes	<u>2</u>	<u>2</u>
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4 MOVEMENT IN INVESTMENTS

	2010 £	2009 £
Movement in investments	<u>(3,200)</u>	<u>(1,182)</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Bank interest	6,580	16,029
Directors' loan interest	87,474	78,485
VAT interest	-	137
	<u>94,054</u>	<u>94,651</u>

6 TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	2010 £	2009 £
Current tax		
UK corporation tax	448,311	8,117
Deferred tax	(499)	(950)
Tax on profit on ordinary activities	<u>447,812</u>	<u>7,167</u>

UK corporation tax was charged at 21% in 2009

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2010 £	2009 £
Profit on ordinary activities before tax	<u>1,563,868</u>	<u>37,512</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 21%)	437,883	7,878
Effects of		
Expenses not deductible for tax purposes	3,886	3,337
Capital allowances for period in excess of depreciation	500	(1,538)
Pension payment paid post year end	7,000	-
Franked investment income	(61)	(216)
Amounts written off investments	(897)	(249)
Franked investment income	-	(1,095)
Current tax charge	<u>448,311</u>	<u>8,117</u>

7 TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2009	116,848	172,048	58,802	347,698
Additions	-	-	24,475	24,475
Disposals	-	-	(17,477)	(17,477)
At 31 March 2010	116,848	172,048	65,800	354,696
DEPRECIATION				
At 1 April 2009	97,331	169,177	39,771	306,279
Charge for year	5,384	1,149	7,179	13,712
Eliminated on disposal	-	-	(13,555)	(13,555)
At 31 March 2010	102,715	170,326	33,395	306,436
NET BOOK VALUE				
At 31 March 2010	14,133	1,722	32,405	48,260
At 31 March 2009	19,517	2,871	19,031	41,419

8 STOCKS

	2010 £	2009 £
Stocks	1,675,978	2,066,670

9 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade debtors	6,857,255	6,395,335
Other debtors	255,536	304,671
Prepayments and accrued income	6,407	17,242
	7,119,198	6,717,248

10 CURRENT ASSET INVESTMENTS

	2010 £	2009 £
Listed investments	15,499	12,300

Market value of listed investments at 31 March 2010 - £15,499 (2009 - £12,300)

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Trade creditors	273,331	160,771
Tax	448,311	9,212
Social security and other taxes	-	677,880
VAT	102,272	183,022
Other creditors	796,000	796,000
Directors' current accounts	1,545,380	2,320,909
Accrued expenses	33,160	12,990
	<u>3,198,454</u>	<u>4,160,784</u>

12 PROVISIONS FOR LIABILITIES

	2010	2009
	£	£
Deferred tax		
Accelerated capital allowances	<u>1,546</u>	<u>2,046</u>
		Deferred tax
		£
Balance at 1 April 2009		2,046
Release in year		(500)
Balance at 31 March 2010		<u>1,546</u>

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid			2010	2009
Number	Class	Nominal value	£	£
40,000	Ordinary shares	£1	40,000	40,000
10	'A' Ordinary shares	10p	1	1
			<u>40,001</u>	<u>40,001</u>

Except for the right to receive the return of the nominal value, the 'A' Ordinary shares carry no voting rights and no rights to participate in the proceeds of the company in the event of its winding up

14 RESERVES

	Profit and loss account £
At 1 April 2009	5,031,746
Profit for the year	1,116,056
At 31 March 2010	<u>6,147,802</u>

15 CONTINGENT LIABILITIES

P K Passi and A Passi are directors of Golden Dollar Clothing Company Limited and Mitch & Titch Clothing Company Limited

A cross guarantee and debenture, dated 6 August 1990, in favour of the company's bankers, exists between the company, Golden Dollar Clothing Company Limited and Mitch & Titch Clothing Company Limited. At 31 March 2010 none of the companies were indebted to the bank.

16 OTHER FINANCIAL COMMITMENTS

At 31 March 2010 the company had an annual financial commitment of £150,000 (2009 £150,000), expiring in more than 5 years, in respect of its trading premises. The company had a further annual financial commitment of £4,000 (2009 £4,000) expiring in two to five years.

17 TRANSACTIONS WITH DIRECTORS

During the year the company paid interest of £87,474 (2009 £78,485) on the amount due to its director.

Included in creditors falling due within one year is £1,545,380 (2009 £2,320,909) due to the company's directors.

18 RELATED PARTY DISCLOSURES

P K Passi and A Passi are directors of Golden Dollar Clothing Company Limited and Mitch & Titch Clothing Company Limited.

Included in other creditors are amounts of £666,000 (2009 £666,000) and £130,000 (2009 £130,000) due to Golden Dollar Clothing Company Limited and Mitch & Titch Clothing Company Limited respectively.

During the year the company paid rent of £150,000 (2009 £150,000) to the G D Yarns Limited Retirement Benefit Scheme. The rent payable is independently assessed.

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Profit for the financial year	1,116,056	30,345
Net addition to shareholders' funds	1,116,056	30,345
Opening shareholders' funds	5,071,747	5,041,402
Closing shareholders' funds	6,187,803	5,071,747

20 ULTIMATE CONTROLLING PARTY

P K Passi and A Passi, acting in concert, control the company