

GianBi Limited

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 1998

Company Registration No 2337159

**HARISH THAKRAR
CHARTERED ACCOUNTANTS
ASHLEIGH
29/31 FINEDON ROAD
WELLINGBOROUGH
NORTHANTS
NN8 4AS**



REPORT OF THE DIRECTORS

The Directors present their report together with Financial Statements for the year ended 31st March 1998.

(1) PRINCIPAL ACTIVITIES

The principal activities of the company continued to be that of :
Office removals and services and distributors of office and warehouse shelving.
Manufacturers of metal components for subcontract, automatic paper handling machinery, and the provision of general light engineering services.
Collectors of waste paper for resale.

(2) DIRECTORS

The Directors in the office at the end of the period are listed below. All served on the Board throughout the year.

The interest of the Directors in the Ordinary Shares of the company at 1st April 1997 and at 31st March 1998, as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows :

	Ordinary shares of £1 each	
	31 March 1998	1 April 1997
Mr H J Kanabar	6199	6199
Mrs R V Dattani	0	0

(3) 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 the affairs of the company at the end of each financial period. In preparing those Financial Statements, the directors are required to :

- select suitable accounting policies and apply them consistently;
- make suitable judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on a going concern basis unless it is inappropriate to presume that the company will continue in business;

The directors are responsible for maintaining proper accounting records which 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. 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.

(4) SMALL COMPANY RULES

These accounts have been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies and in accordance the Financial Reporting Standards for Smaller Entities.

This report was approved by the board on 23rd January 1999 and signed on its behalf.

23rd January 1999
Unit 2 Gresham Square
Newark Road
Peterborough
PE1 5YD

On behalf of the Board



Hitesh Kanabar
Director

ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF GianBi LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31st March 1998 set out on pages 3 to 7, and you consider that the company is exempt from an audit and a report under section 249a(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations provided to us.

23rd January 1999
Wellingborough


HARISH THAKRAR
CHARTERED ACCOUNTANTS

GianBi Limited**ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 1998**

The Financial Statements have been prepared under the historical cost convention.

The principal accounting policies of the Company are set out below:

(a) TURNOVER

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

(b) TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows :

Plant and machinery	15% on net book value
Fixtures, fittings & equipment	20% on net book value
Motor vehicles	25% on net book value

(c) LEASING AND HIRE PURCHASE COMMITMENTS

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against on a straight line basis over the lease term.

(d) STOCK & WORK IN PROGRESS

Stocks are valued by the directors at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. In the case of work in progress cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

(e) DEFERRED TAXATION

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or assets will crystallise in the foreseeable future.

(f) FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

GianBi Limited**PROFIT & LOSS ACCOUNT
for the year ended 31st March 1998**

		1998	1997
		£	£
Turnover	1	200761	214510
Cost of Sales		<u>158762</u>	<u>177320</u>
Gross Profit		41999	37190
Administrative Expenses	2	<u>36376</u>	<u>25850</u>
Operating Profit		5623	11340
Interest payable and similar charges		<u>4958</u>	<u>6459</u>
Loss on Ordinary Activities before taxation		665	4881
Tax on Profit on Ordinary Activities	3	<u>560</u>	<u>557</u>
Profit on Ordinary Activities after taxation		105	4324
Retained profit brought forward		3482	-842
Retained profit carried forward		<u>3587</u>	<u>3482</u>

There were no other recognised gains or losses for the above period.

All of the company's activities were acquired during the financial period.

The Accounting Policies on page 3 and Notes on pages 6 and 7 form part of these Financial Statements.

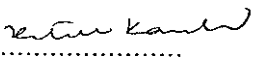
GianBi Limited**BALANCE SHEET at 31ST MARCH 1998**

	Notes	1998		1997	
		£	£	£	£
FIXED ASSETS					
Intangible Assets	4		58400		62400
Tangible Assets	5		<u>12037</u>		<u>17166</u>
			70437		79566
CURRENT ASSETS					
Stock		6221		7044	
Debtors	6	<u>40772</u>		<u>43854</u>	
		46993		50898	
CREDITORS					
Amounts falling due within one year	7	<u>81281</u>		<u>81199</u>	
NET CURRENT ASSETS			<u>-34288</u>		<u>-30301</u>
TOTAL ASSETS LESS CURRENT LIABILITIES CREDITORS			36149		49265
Amounts falling due after one year	8		26362		39583
			<u>9787</u>		<u>9682</u>
CAPITAL & RESERVES					
Called up Share Capital	9		6200		6200
Profit and Loss Account			3587		3482
			<u>9787</u>		<u>9682</u>

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to smaller companies, and in accordance with the Financial Reporting Standards for Smaller Entities were approved by the board on 23rd January 1999 and signed on its behalf.

The directors consider that the company is entitled to exemption from the requirements to have an audit under the provisions of Section 249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the company's share capital have not issued a notice requiring the audit under Section 249(B)(2) of the Companies Act 1985.

The directors acknowledges their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for the preparing financial statements which give a true and fair view of the state of affairs of the company as at 31st March 1998 and of its result for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Companies Act relating to the financial statements so far as applicable to the company.

Signed:  (H.KANABAR) Director

The Accounting Policies on pages 3 and Notes on pages 6 to 7 form part of these Financial Statements.

GianBi Limited**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 1998****1. TURNOVER**

In the year to 31st March 1998, 3% of the company's turnover was to markets outside the United Kingdom.

2. PROFIT ON ORDINARY ACTIVITIES IS STATED AFTER

	£	£
Amortisation of intangible assets	4000	4000
Depreciation of tangible assets	2086	3754
Operating lease rentals	4200	4200
Directors' remuneration	<u>7885</u>	<u>2800</u>

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

Corporation Tax payable in respect of:-

U K corporation tax at 21%	1035	530
Prior years	<u>-475</u>	<u>27</u>
	<u>560</u>	<u>557</u>

4. INTANGIBLE FIXED ASSETS

	Goodwill	Patent fee	Total
Cost at 1st April 1997 to 31st March 1998	<u>84550</u>	<u>2500</u>	<u>87050</u>
Amortisation			
At 1st April 1997	22150	2500	24650
Charge for the year	<u>4000</u>	<u>0</u>	<u>4000</u>
At 31st March 1998	<u>26150</u>	<u>2500</u>	<u>28650</u>
Net Book Value			
At 31st March 1998	<u>58400</u>	<u>0</u>	<u>58400</u>
At 31st March 1997	<u>62400</u>	<u>0</u>	<u>62400</u>

5. TANGIBLE FIXED ASSETS

	Plant and Machinery	Fixtures, fittings & equipment	Motor vehicles	Total
COST	£	£	£	£
At 1st April 1997	29604	9929	22491	62024
Additions	596	884	0	1480
Disposals	0	0	-7700	-7700
At 31st March 1998	<u>30200</u>	<u>10813</u>	<u>14791</u>	<u>55804</u>
DEPRECIATION				
At 1st April 1997	18714	8489	17655	44858
Charge for the year	1723	285	78	2086
Disposals			-3177	-3177
At 31st March 1998	<u>20437</u>	<u>8774</u>	<u>14556</u>	<u>43767</u>
NET BOOK VALUE				
At 31st March 1998	<u>9763</u>	<u>2039</u>	<u>235</u>	<u>12037</u>
At 31st March 1997	<u>10890</u>	<u>1440</u>	<u>4836</u>	<u>17166</u>

GianBi Limited**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31st March 1998**

	1998	1997
	£	£
6. DEBTORS		
Amounts due within one year:-		
Trade Debtors	<u>40772</u>	<u>43854</u>
7. CREDITORS amounts falling due within one year		
Bank loan and overdrafts	32112	38313
Trade Creditors	28902	28462
Taxation and social security	9755	7650
Other creditors	<u>10512</u>	<u>6774</u>
	<u>81281</u>	<u>81199</u>

The bank loans and overdrafts are secured.

Included in other creditors is an amount of £10512 (1997: £6174) due to Mr H J Kanabar, a director of the company. The loan is interest free, unsecured and with no fixed terms of repayment.

8. CREDITORS amounts falling due after one year		
Bank loan	<u>26362</u>	<u>39583</u>
Analysis of loans		
Wholly repayable within five years	36362	46157
Not wholly repayable within five years other than by instalments	<u>0</u>	<u>926</u>
	36362	47083
Included in current liabilities	<u>-10000</u>	<u>-7500</u>
	<u>26362</u>	<u>39583</u>
Loan maturity analysis		
Between one and two years	20000	20260
Between two and five years	6362	18397
In five years or more	<u>0</u>	<u>926</u>
	<u>26362</u>	<u>39583</u>

The aggregate amount of creditors for which security has been given amounted to £58473.
(1997 : £77896)

**9. CALLED UP SHARE CAPITAL
AUTHORISED**

100000 Ordinary Shares of £1 each	<u>100000</u>	<u>100000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
6200 Ordinary Shares of £1 each	<u>6200</u>	<u>6200</u>

10. FINANCIAL COMMITMENTS

At 31st March 1998 the company had annual commitments under non-cancellable operating leases as follows :

	Land and buildings
Expiry date	
Within one year	4200

11. TRANSACTIONS WITH DIRECTORS

The director of the company, Mr H J Kanabar, has personally given an unlimited guarantee to the company's bankers in respect of the company's bank borrowings.

12. RELATED PARTY TRANSACTIONS

During the course of the year the company sold goods and services to the value of £15820 to Vectropy Limited, a company in which Mr H Kanabar is a director. These transactions were conducted on an arms length basis.