

JANTA FASHIONS LIMITED

FINANCIAL STATEMENTS

YEAR TO 31ST MARCH 1999

COMPANY INCORPORATION
NUMBER 2431684



BAJAJ & COMPANY

Registered Auditor &
Chartered Accountant
410-420 Rayners Lane
Pinner, Middx HA5 5DY

JANTA FASHIONS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1999

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JANTA FASHIONS LIMITED**THE DIRECTORS' REPORT****YEAR ENDED 31ST MARCH 1999**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 1999.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of clothing manufacturers and wholesalers.

RESULTS AND DIVIDENDS

The trading results for the year, and the company's financial position at the end of the year are shown in page 4 of these attached financial statements.

The directors have not recommended any dividends for the year.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

		Ordinary Shares of £1 each	
		At 31 March 1999	At 1 April 1998
MR J. S. RAI		50	50
MR A. S. RAI	(appointed 28 April 1998)	50	50
		<hr/>	<hr/>

During the year Mr P. S. Khak was also a director of the company and retired on 28th April 1998.

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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 the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

contd.

JANTA FASHIONS LIMITED**THE DIRECTORS' REPORT (continued)****YEAR ENDED 31ST MARCH 1999****CLOSE COMPANY PROVISIONS**

In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

DONATIONS

During the year the company made the following contributions:

	1999	1998
	£	£
Charitable	<u>8,982</u>	<u>2,647</u>

AUDITOR

A resolution to re-appoint Bajaj & Company as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Approved by the directors on 30th March 2000.

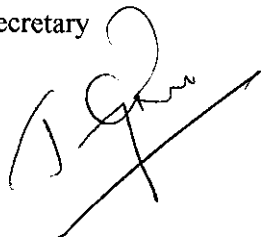
Signed by order of the directors

JAGTAR SINGH RAI

Company Secretary

Registered office:

273 Commercial Road
London E1 2PS



JANTA FASHIONS LIMITED

AUDITOR'S REPORT TO THE SHAREHOLDERS

YEAR ENDED 31ST MARCH 1999

We have audited the financial statements on pages 4 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999), under the historical cost convention and the accounting policies set out on page 6 .

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

As described on page 2, the company's directors are responsible for the preparation of the financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

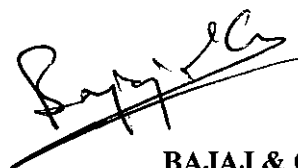
We planned and performed my audit so as to obtain all the information and explanations which we considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the company's state of affairs as at 31st March 1999 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

410-420 Rayners Lane
Pinner
Middx HA5 5DY

30th March 2000.



BAJAJ & COMPANY
Chartered Accountant
& Registered Auditor

JANTA FASHIONS LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST MARCH 1999**

	Note	1999 £	1998 £
TURNOVER		923,825	909,385
LESS:			
Cost of sales		<u>718,996</u>	<u>694,496</u>
GROSS PROFIT		204,829	214,889
Distribution costs		580	600
Administrative expenses		192,753	164,638
Other operating income		<u>(4,366)</u>	<u>-</u>
OPERATING PROFIT	3	15,862	49,651
Exceptional charges	6	-	(2,000)
Interest receivable	7	115	140
Interest payable	7	<u>(13,141)</u>	<u>(15,917)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,836	31,874
Tax on profit on ordinary activities	8	<u>2,710</u>	<u>8,296</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		126	23,578
Balance brought forward		<u>137,018</u>	<u>113,440</u>
Balance carried forward		<u>137,144</u>	<u>137,018</u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

JANTA FASHIONS LIMITED**BALANCE SHEET****31ST MARCH 1999**

	Note	£	1999 £	£	1998 £
FIXED ASSETS					
Tangible assets	9		301,738		300,402
CURRENT ASSETS					
Stocks	10	44,600		60,100	
Debtors	11	197,071		262,290	
Cash at bank and in hand		3,604		2,926	
		245,275		325,316	
CREDITORS: Amounts falling due within one year	12	(376,132)		(442,883)	
NET CURRENT LIABILITIES			(130,857)		(117,567)
TOTAL ASSETS LESS CURRENT LIABILITIES			170,881		182,835
CREDITORS: Amounts falling due after more than one year	13		(33,637)		(45,717)
			<u>137,244</u>		<u>137,118</u>
CAPITAL AND RESERVES					
Called-up equity share capital	16		100		100
Profit and loss account	17		<u>137,144</u>		<u>137,018</u>
SHAREHOLDERS' FUNDS			<u>137,244</u>		<u>137,118</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

These financial statements were approved by the directors on the 30th March 2000, and are signed on their behalf by:

DIRECTORS

(MR J. S. RAI

(

(MR A. S. RAI

Amayjit Singh Rai

The notes on pages 6 to 10 form part of these financial statements.

JANTA FASHIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 1999****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- 10% per annum
Plant & Machinery	- 25% on written down value
Fixtures & Fittings	- 25% on written down value
Motor Vehicles	- 25% on written down value
Equipment	- 25% on written down value

Stocks

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

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

2. TURNOVER

The turnover and the profit before taxation is attributable to the one principal activity of the company:

	1999 £	1998 £
United Kingdom and EEC	913,797	896,383
Overseas exports	10,028	13,002
	<u>923,825</u>	<u>909,385</u>

JANTA FASHIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 1999****3. OPERATING PROFIT**

Operating profit is stated after charging:

	1999 £	1998 £
Staff pension contributions	7,250	6,050
Depreciation	12,383	13,008
Auditor's fees	<u>1,525</u>	<u>1,837</u>

4. STAFF COSTS

The aggregate costs of the company's employees were :-

Wages and salaries	136,065	115,926
Social Security costs	5,371	4,745
Pension and health premiums	9,831	7,998
	<u>151,267</u>	<u>128,669</u>

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

Aggregate emoluments	<u>22,500</u>	<u>17,500</u>
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6. EXCEPTIONAL CHARGES

Irrecoverable Taxes	<u>-</u>	<u>(2,000)</u>
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7. INTEREST RECEIVABLE/(PAYABLE)

Interest receivable	<u>115</u>	<u>140</u>
Interest Payable - Bank Loan	(8,604)	(15,071)
Finance Lease charges	<u>(4,537)</u>	<u>-</u>
	<u>(13,141)</u>	<u>(15,071)</u>

JANTA FASHIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 1999****8. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1999 £	1998 £
In respect of the year :-		
Corporation tax based on the results for the year at 21% (1998 - 21%)	2,710	7,400
Adjustment in respect of previous years: Corporation tax	-	896
	<u>2,710</u>	<u>8,296</u>

9. TANGIBLE FIXED ASSETS

	Freehold & Leasehold Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Equipment £	Total £
COST						
At 1 Apr 1998	266,555	45,450	3,879	64,474	8,869	389,227
Additions	<u>10,000</u>	<u>3,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,719</u>
At 31 Mar 1999	<u>276,555</u>	<u>49,169</u>	<u>3,879</u>	<u>64,474</u>	<u>8,869</u>	<u>402,946</u>
DEPRECIATION						
At 1 Apr 1998	1,393	32,865	3,345	44,307	6,915	88,825
Charge for the year	<u>2,393</u>	<u>4,076</u>	<u>134</u>	<u>5,292</u>	<u>488</u>	<u>12,383</u>
At 31 Mar 1999	<u>3,786</u>	<u>36,941</u>	<u>3,479</u>	<u>49,599</u>	<u>7,403</u>	<u>101,208</u>
NET BOOK VALUE						
At 31 Mar 1999	<u>272,769</u>	<u>12,228</u>	<u>400</u>	<u>14,875</u>	<u>1,466</u>	<u>301,738</u>
At 31 Mar 1998	<u>265,162</u>	<u>12,585</u>	<u>534</u>	<u>20,167</u>	<u>1,954</u>	<u>300,402</u>

Finance lease agreements

Included within the net book value of £301,738 is £6,713 (1998 - £7,145) relating to assets held under finance lease agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £(5,222) (1998 - £(2,984)).

10. STOCK

	1999 £	1998 £
Stock of Materials and finished goods	44,600	60,100

JANTA FASHIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 1999****11. DEBTORS**

	1999 £	1998 £
Trade debtors	191,546	254,028
VAT recoverable	2,913	5,790
Directors current accounts	479	-
Prepayments and accrued income	2,133	2,472
	<u>197,071</u>	<u>262,290</u>

12. CREDITORS: Amounts falling due within one year

	1999 £	1998 £
Bank loans and overdrafts	149,856	112,233
Trade creditors	185,259	227,403
Other creditors including:		
Corporation tax	21,280	18,570
PAYE and social security	6,150	10,096
Finance leases	1,245	4,878
Other creditors	4,642	21,432
Directors current accounts	-	42,871
	<u>33,317</u>	<u>97,847</u>
Accruals and deferred income	7,700	5,400
	<u>376,132</u>	<u>442,883</u>

13. CREDITORS: Amounts falling due after more than one year

Bank loans and overdrafts	33,637	44,472
Other creditors including:		
Finance leases	-	1,245
	<u>33,637</u>	<u>45,717</u>

The bank loans are secured on the freehold properties of the company, and the directors have also given their personal guarantees in respect of the banking facilities.

14. COMMITMENTS UNDER OPERATING LEASE

At 31st March 1999 the company had aggregate annual commitments under a non-cancellable operating lease rentals of £20,700 per annum in respect of the factory at Gravesend.

JANTA FASHIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 1999****15. RELATED PARTY TRANSACTIONS**

The company has an agreement with Mr J. Rai, for the rental of the factory premises at Gravesend at an annual rental of £20,700.

There were no other transactions with related parties which were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

16. SHARE CAPITAL

	1999 £	1998 £
Authorised share capital:		
100 Ordinary shares of £1 each.	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
100 Ordinary shares of £1 each.	<u>100</u>	<u>100</u>

17. PROFIT AND LOSS ACCOUNT

	1999 £	1998 £
Balance brought forward	137,018	113,440
Retained profit for the financial year	<u>126</u>	<u>23,578</u>
Balance carried forward	<u>137,144</u>	<u>137,018</u>

18. CONTINGENT LIABILITIES

There were no contingent liabilities as at the year end which were required to be disclosed as at the year end.