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SIDHU FASHIONS (WALSALL) LTD

FINANCIAL ACCOUNTS FOR THE
16 MONTHS ENDED 31ST MARCH 1997

DANIELS & Co.
CHARTERED ACCOUNTANTS
72a LICHFIELD STREET
WALSALL, WS4 2BY



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COMPANIES HOUSE 29/08/97

SIDHU FASHIONS (WALSALL) LTD

DIRECTORS:

A. Singh
B. Singh
G. Singh

SECRETARY:

A. Singh

BUSINESS ADDRESS:

21 Overbridge Road
Units 5/6
Cambridge Industrial Estate
Manchester M7 9SL

REGISTERED OFFICE:

70 Hollyhedge lane
Walsall
WS2 8PZ

REGISTERED NUMBER:

2749546

BANKERS:

National Westminster Bank Plc.
309 High Street
West Bromwich
B70 8LX

AUDITORS:

Daniels & Co.
Chartered Accountants
72a Lichfield Street
Walsall
WS4 2BY

SIDHU FASHIONS (WALSALL) LTD

FINANCIAL ACCOUNTS

FOR THE 16 MONTHS ENDED 31ST MARCH 1997

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SIDHU FASHIONS (WALSALL) LTD
REPORT OF THE DIRECTORS
FOR THE 16 MONTHS ENDED 31ST MARCH 1997

1.

The Directors' present their annual report with the accounts of the company for the 16 months ended 31st March 1997.

PRINCIPAL ACTIVITY

The principal activity of the company in the 16 months under review was clothing wholesalers and retailers.

REVIEW OF BUSINESS

A summary of the results for the 16 months is given on page 3 of the accounts. The directors consider the state of affairs to be satisfactory.

DIVIDENDS

The directors do not recommend the payment of a dividend.

FIXED ASSETS

Acquisitions and disposals of fixed assets during the 16 months are shown in note 7.

DIRECTORS

The Directors in office in the 16 months and their beneficial interests in the company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	1997	1995
A. Singh	33	33
B. Singh	33	33
G. Singh	34	34

DIRECTORS RESPONSIBILITY

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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless 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. 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.

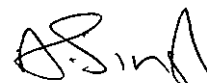
CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Daniels & co., are deemed to be re-appointed in accordance with Section 386 of the Companies Act 1985.

By Order of the Board



A. Singh
Secretary

Date: 11th August 1997

REPORT OF THE AUDITORS TO THE MEMBERS OF

SIDHU FASHIONS (WALSALL) LTD

We have audited the financial statements on pages 3 to 5 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the directors and auditors

As described in the Directors' Report the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

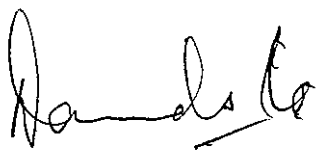
Basis of opinion

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 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 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 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 state of affairs of the company as at 31st March 1997 and of the profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



DANIELS & CO.
Registered Auditors
Chartered Accountants

Date : 11 August 1997

72a LICHFIELD STREET
WALSALL
WS4 2BY

SIDHU FASHIONS (WALSALL) LTD

PROFIT AND LOSS ACCOUNT
FOR THE 16 MONTHS ENDED 31ST MARCH 1997

	<u>Notes</u>	<u>1997</u>	<u>1995</u>
		£	£
TURNOVER	2	1,029,242	623,000
Cost of Sales		850,501	501,537
<u>GROSS PROFIT</u>		178,741	121,463
Distribution Costs		7,505	4,662
Administration Expenses		126,207	82,640
		133,712	87,302
<u>OPERATING PROFIT</u>	3	45,029	34,161
Interest Payable	6	1,539	797
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>BEFORE TAXATION</u>		43,490	33,364
Tax on Ordinary Activities	5	11,995	11,163
<u>PROFIT ON ORDINARY ACTIVITIES</u> <u>AFTER TAXATION</u>		£ 31,495	£ 22,201
<u>STATEMENT OF RETAINED EARNINGS</u>			
Retained Profit Brought Forward		39,008	16,807
Retained Profit for the Year		31,495	22,201
RETAINED PROFIT CARRIED FORWARD		£ 70,503	£ 39,008

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 5a to 5f form part of these accounts.

SIDHU FASHIONS (WALSALL) LTDBALANCE SHEET
AS AT 31ST MARCH 1997

	<u>Notes</u>	<u>1997</u>	<u>1995</u>
		£	£
FIXED ASSETS			
Tangible Assets	7	9,772	11,243
CURRENT ASSETS			
Stock and Work in Progress	8	130,550	148,502
Debtors	9	207,701	170,214
Cash at Bank and in Hand		11,798	63
		<u>350,049</u>	<u>318,779</u>
CREDITORS : amounts falling			
Due within one year	10	<u>288,318</u>	<u>290,014</u>
NET CURRENT ASSETS		<u>61,731</u>	<u>28,765</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 71,503</u>	<u>£ 40,008</u>
CAPITAL AND RESERVES			
Share Capital	11	1,000	1,000
Profit and Loss Account	12	<u>70,503</u>	<u>39,008</u>
TOTAL SHAREHOLDERS' FUNDS		<u>£ 71,503</u>	<u>£ 40,008</u>

In the preparation of the accounts advantage has been taken special exemptions applicable to small companies under Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in the directors' opinion, the company qualifies as a small company and is entitled to make use of the special exemptions.

Signed on behalf of the
board of directors

.....*B. Singh*.....
.....*G. Singh*.....

B. SINGH - Director

G. SINGH - Director

Approved by the board: 11th August 1997

The notes on pages 5a to 5f form part of these accounts.

SIDHU FASHIONS (WALSALL) LTD**NOTES TO ACCOUNTS****FOR THE 16 MONTHS ENDED 31ST MARCH 1997****1. ACCOUNTING POLICIES****Basis of Accounting**

The accounts have been prepared in accordance with applicable accounting standards and under the historical cost accounting convention, modified to incorporate the revaluation of certain fixed assets.

Turnover

Turnover represents the net invoiced sales of goods, excluding VAT.

Tangible Fixed Assets

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

Motor Vehicles	25% on cost
Fixtures and Fittings	25% on cost

Stocks

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 items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred Taxation

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is reasonable probability that a liability or asset will crystallise in the foreseeable future.

SIDHU FASHIONS (WALSALL) LTDNOTES TO ACCOUNTS
FOR THE 16 MONTHS ENDED 31ST MARCH 19972. TURNOVER

The Turnover and Profit (1995 - Profit) before taxation for the 16 months is attributable to the principal activity of the Company which is clothing wholesalers and retailers..

3. OPERATING PROFIT

The Operating Profit (1997 - Profit) is stated after charging:

	<u>1997</u>	<u>1995</u>
	£	£
Amount Written Off Tangible Fixed Assets	6,799	8,315
Staff Costs - note 4	16,376	8,113
Auditors Remuneration	500	500
	<u> </u>	<u> </u>

SIDHU FASHIONS (WALSALL) LTDNOTES TO ACCOUNTS
FOR THE 16 MONTHS ENDED 31ST MARCH 19974. STAFF COSTS

The costs incurred, including directors remuneration (note 7), were as follows:

	<u>1997</u>	<u>1995</u>
	£	£
Wages and Salaries	16,376	8,113

5. TAXATION

The tax charge on the profit on ordinary activities was as follows:

	<u>1997</u>	<u>1995</u>
	£	£
Corporation Tax	11,995	11,163

Corporation tax has been charged on the profit at 24% (1995 25%).

SIDHU FASHIONS (WALSALL) LTD

NOTES TO ACCOUNTS
FOR THE 16 MONTHS ENDED 31ST MARCH 1997

6. INTEREST PAYABLE

	<u>1997</u>	<u>1995</u>
	£	£
Bank Interest	1,539	797
	<u>1,539</u>	<u>797</u>

7. TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u>	<u>Plant & Equipment</u>	<u>Fixtures & Fittings</u>	<u>TOTAL</u>
	£	£	£	£
COST OR VALUATION				
At 1st December 1995	7,000	-	26,250	33,250
Additions in 16 months	13,468	-	-	13,468
Disposals in 16 months	(7,000)	-	-	(7,000)
At 31st March 1997	<u>13,468</u>	<u>-</u>	<u>26,250</u>	<u>39,718</u>
DEPRECIATION				
At 1st December 1995	3,500	-	18,507	22,007
Write Off On Disposal	(3,500)	-	-	(3,500)
Charge for 16 months	4,489	-	6,950	11,439
At 31st March 1997	<u>4,489</u>	<u>-</u>	<u>25,457</u>	<u>29,946</u>
NET BOOK VALUE				
At 31st March 1997	<u>8,979</u>	<u>-</u>	<u>793</u>	<u>9,772</u>
At 30th November 1995	<u>3,500</u>	<u>-</u>	<u>7,743</u>	<u>11,243</u>

SIDHU FASHIONS (WALSALL) LTDNOTES TO ACCOUNTS
FOR THE 16 MONTHS ENDED 31ST MARCH 19978. STOCKS

	<u>1997</u>	<u>1995</u>
	£	£
Stocks	130,550	148,502

9. DEBTORS

	<u>1997</u>	<u>1995</u>
	£	£
Amounts due within one year:		
Trade Debtors	172,792	144,483
Sidhu Fashions	-	1,367
Prepayments	21,013	10,271
Value Added Tax	13,896	14,093
	<u>207,701</u>	<u>170,214</u>

SIDHU FASHIONS (WALSALL) LTD

NOTES TO ACCOUNTS
FOR THE 16 MONTHS ENDED 31ST MARCH 1997

10. CREDITORS

Amounts falling due within one year:	<u>1997</u>	<u>1995</u>
	£	£
Bank Loans and Overdrafts (see below)	-	35,014
Trade Creditors	154,511	211,382
Amounts Owed to Associate Company	114,251	-
Other Creditors:		
Taxation	11,995	11,163
Social Security and Other Taxes	454	1,118
Other Creditors	1,369	25,944
Accruals	5,738	5,393
	<u>288,318</u>	<u>290,014</u>
Bank Overdraft	-	35,014

The bank loan and overdraft are secured by a fixed and floating charge over the other assets and related undertakings of the company.

11. SHARE CAPITAL

	<u>1997</u>	<u>1995</u>
	£	£
Authorised Ordinary shares of £1 each.	<u>500,000</u>	<u>500,000</u>
Allotted, Issued and Fully Paid 1,000 Ordinary shares of £1 each.	<u>1,000</u>	<u>1,000</u>

12. RESERVES

	<u>Share Premium Account</u>	<u>Revaluation Reserve</u>	<u>Other Reserves</u>	<u>Profit & Loss A/c</u>
	£	£	£	£
At 1st December 1995	-	-	-	39,008
Premium on Allotment in the 16 months
Surplus on revaluation of Land & Buildings
Transfers to/from Profit & Loss	-
Retained Profit for the 16 months				31,495
	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,503</u>