

**I & I FASHIONS LIMITED**

**FINANCIAL STATEMENTS**

**For the year ended 30th June, 1998**



# **I & I FASHIONS LIMITED**

## **FINANCIAL STATEMENTS**

**For the year ended 30th June, 1998**

### **I N D E X**

	Page No.
Directors, Officers & Company Information	1
Report of the Directors	2
Report of the Accountant	3
Profit & Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6

# **I & I FASHIONS LIMITED**

## **FINANCIAL STATEMENTS**

**For the year ended 30th June, 1998**

### **DIRECTORS**

M. IMTIAZ  
M.I. AHMED

### **SECRETARY**

M. IMTIAZ

### **REGISTERED OFFICE**

8 Rugby Street  
Manchester  
M7 9SH

### **PRINCIPAL PLACE OF BUSINESS**

8 Rugby Street  
Manchester  
M7 9SH

### **REPORTING ACCOUNTANTS**

ALVI & CO.  
Chartered Accountants  
15 Manley Road  
Manchester  
M16 8PN

### **BANKERS**

Habib Bank Ltd.  
18 Milkstone Road  
Rochdale  
Lancs. OL11 1ED

### **COMPANY NUMBER**

2799877

# I & I FASHIONS LIMITED

## DIRECTORS' REPORT

For the year ended 30th June, 1998

**DIRECTORS:** M. IMTIAZ  
M.I. AHMED

The directors are pleased to present their report and the accounts for the year ended 30th June, 1998.

### RESULTS AND DIVIDENDS

The profit after tax for the year was £4,247 (1997: £6,442).

The directors did not propose any dividend (1997: £100) per share.

### REVIEW OF THE BUSINESS

The principal activity of the company was wholesaling and retailing of ladies and girls clothing.

Turnover has decreased to £261,647 (1997: £311,084) during the year and the directors believe that this downward trend will not continue any further. Following the identification of new business opportunities, the directors believe that the company will be in a good position to take advantage of any opportunities that may arise in the future.

### TANGIBLE FIXED ASSETS

The changes in fixed assets are revealed by the schedule at note 9.

### DIRECTORS AND THEIR INTERESTS

The directors in office at the date of this report are listed on page 1.

The interests of the directors in the share capital of the company were as below:

	<i>Ordinary Shares of £1 each</i>	
	<b>30th June, 1998</b>	<b>30th June, 1997</b>
	<u>No.</u>	<u>No.</u>
M. IMTIAZ	50	50
M.I. AHMED	<u>50</u>	<u>50</u>
	<u>100</u>	<u>100</u>

### EXEMPTIONS

In preparing this report, the board have taken advantage of special exemptions available to small companies.

Approved by the board on December 9, 1998 and signed on its behalf:

*M. Imtiaz*

(M.I. AHMED)  
Director

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS OF

**I & I FASHIONS LIMITED**

We report on the accounts for the year ended 30th June, 1998 set out on pages 4 to 8.

**RESPECTIVE RESPONSIBILITIES OF THE DIRECTOR AND REPORTING ACCOUNTANTS**

As described on page 5 the company's Directors are responsible for the preparation of accounts, and they considers that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

**BASIS OF OPINION**

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

**OPINION**

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985; and
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
  - (i) the accounts has been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
  - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

December 9, 1998

15 Manley Road  
Manchester M16 8PN



Alvi & Co.  
Chartered Accountants  
Reporting Accountants

# I & I FASHIONS LIMITED

## PROFIT & LOSS ACCOUNT

For the year ended 30th June, 1998

	Notes	1998 £	1997 £
<b><u>TURNOVER</u></b>		<b>261,764</b>	<b>311,084</b>
Cost of Sales		<u>186,817</u>	<u>232,726</u>
<b><u>GROSS PROFIT</u></b>		<b>74,947</b>	<b>78,358</b>
Administrative expenses		63,162	64,347
Financial expenses		<u>6,409</u>	<u>5,617</u>
<b><u>OPERATING PROFIT</u></b>		<b>5,376</b>	<b>8,394</b>
Taxation on ordinary activities		<u>1,129</u>	<u>1,952</u>
PROFIT on ordinary activities after taxation		<u>4,247</u>	<u>6,442</u>
<b><u>PROFIT FOR THE FINANCIAL YEAR</u></b>		<b>4,247</b>	<b>6,442</b>
Retained profit brought forward		14,600	16,544
Under-provision of Taxation in prior years		<u>—</u>	<u>(1,786)</u>
		<b>18,847</b>	<b>21,200</b>
Dividends		<u>—</u>	<u>6,600</u>
<b><u>RETAINED PROFIT CARRIED FORWARD</u></b>		<b>18,847</b>	<b>14,600</b>

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	Notes	1998 £	1997 £
Profit for the year		18,847	21,200
Unrealised gain or revaluation of investment property		<u>—</u>	<u>—</u>
<b><u>TOTAL RECOGNISED GAINS IN THE YEAR</u></b>		<b>18,847</b>	<b>21,200</b>

The notes on pages 6 to 8 form part of these accounts.

# I & I FASHIONS LIMITED

## BALANCE SHEET

As At 30th June, 1998

	Notes	1998		1997	
		£	£	£	£
<b><u>FIXED ASSETS</u></b>					
Tangible Assets	9		3,894		4,958
<b><u>CURRENT ASSETS</u></b>					
As per Schedule	10	<u>62,843</u>		<u>67,368</u>	
<b><u>CREDITORS</u></b>					
Amounts falling due within one year	11	<u>47,790</u>		<u>57,626</u>	
<b><u>CURRENT ASSETS LESS LIABILITIES</u></b>			<u>15,053</u>		<u>9,742</u>
<b><u>TOTAL ASSETS LESS LIABILITIES</u></b>			<u>18,947</u>		<u>14,700</u>
<b><u>CAPITAL AND RESERVES</u></b>					
Authorised share capital	12		<u>100</u>		<u>100</u>
Issued and fully paid shares	12		<u>100</u>		<u>100</u>
Profit & loss appropriation account	13		<u>18,847</u>		<u>14,600</u>
			<u>18,947</u>		<u>14,700</u>

*In the Directors' opinion the company was entitled under section 249A(2) of Companies Act 1985 to exemption from the audit of its accounts for the year ended 30 June 1998. No member of the company has deposited a notice under section 249B(2) requiring an audit of these accounts.*

*The Directors are responsible for ensuring that the company keeps accounting records which comply with section 221 of the Act and for preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss of each year in accordance with the requirements of section 226 of the Act and which otherwise comply with its requirements, so far as applicable to the company.*

*These Financial Statements were approved by the Board of Director on December 9, 1998 and were signed on its behalf by:*

  
 \_\_\_\_\_  
 (M.I. AHMED)  
 Director

  
 \_\_\_\_\_  
 (M. IMTIAZ)  
 Director

The notes on page 6 to 8 form part of these accounts.

# I & I FASHIONS LIMITED

## NOTES TO THE ACCOUNTS

For the year ended 30th June, 1998

### 1. ACCOUNTING POLICIES

#### (a) BASIS OF ACCOUNTING

The accounts are prepared under the historical cost convention, modified by the revaluation of freehold investment properties, and in accordance with applicable accounting standards.

#### (b) DEPRECIATION OF TANGIBLE ASSETS

Depreciation is provided on all tangible fixed assets in use, other than freehold land, at rates and bases calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Fre-ehold property	– over 100 years
Fixtures, fittings, and equipment	– over 10 years
Motor vehicles	– over 4 years

#### (c) STOCKS

Stocks have been valued and certified by the Directors at the lower of cost and net realisable value, after making due allowance for slow moving, obsolete and deteriorated items.

### 2. TURNOVER

Turnover represents the net amount invoiced to customers less trade discounts, excluding value added tax and sales of fixed assets.

All turnover originated in the United Kingdom.

### 3. DIRECTORS' EMOLUMENTS

	1998 £	1997 £
Fees	–	–
Other emoluments	<u>14,680</u>	<u>14,560</u>
	<u>14,680</u>	<u>14,560</u>

### 4. STAFF COSTS (including directors)

Wages and salaries	19150	18,980
Social security costs	<u>861</u>	<u>3,519</u>
	<u>20,011</u>	<u>22,499</u>

The average monthly number of employees during the year was 3 (including 2 Directors).

### 5. OPERATING PROFIT

	£	£
This is stated after charging:		
Depreciation of tangible fixed assets	1,298	1,653
Staff Costs (Note 4)	<u>20,011</u>	<u>22,499</u>
	<u>21,309</u>	<u>24,152</u>



**I & I FASHIONS LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

For the year ended 30th June, 1998

<b>6. <u>INTEREST RECEIVABLE</u></b>	<b>£</b>	<b>£</b>
Interest received	<b>NIL</b>	<b>NIL</b>
<b>7. <u>TAX ON PROFIT ON ORDINARY ACTIVITIES</u></b>		
Based on the profit for the year at 21% (1997 21%)	<b>1,129</b>	<b>1,952</b>
<b>8. <u>DIVIDENDS</u></b>		
£ Nil (1997: £66) per share	<b>NIL</b>	<b>6,600</b>

**9. TANGIBLE FIXED ASSETS**

	<u>Fixtures &amp; Fittings</u>	<u>Motor Vehicles</u>	<u>TOTAL</u>
	£	£	£
<b>Cost:</b>			
At 1 July 1997	<b>5,521</b>	<b>8,864</b>	<b>14,385</b>
Additions	<b>234</b>	<b>—</b>	<b>234</b>
At 30 June 1998	<b><u>5,755</u></b>	<b><u>8,864</u></b>	<b><u>14,619</u></b>
<b>Depreciation:</b>			
At 1 July 1997	<b>3,367</b>	<b>6,060</b>	<b>9,427</b>
Current year's charge	<b>597</b>	<b>701</b>	<b>1,298</b>
At 30 June 1998	<b><u>3,964</u></b>	<b><u>6,761</u></b>	<b><u>10,725</u></b>
<b>Net book values</b>			
At 30 June 1998	<b><u>1,791</u></b>	<b><u>2,103</u></b>	<b><u>3,894</u></b>
At 31 March 1997	<b><u>2,154</u></b>	<b><u>2,804</u></b>	<b><u>4,958</u></b>

Depreciation has been provided @ 25% per annum on the reducing balances.

**10. CURRENT ASSETS**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Cash In Hand	<b>5,892</b>	<b>2,978</b>
Stock	<b>23,355</b>	<b>27,820</b>
Trade & Other Debtors	<b><u>33,596</u></b>	<b><u>36,570</u></b>
	<b><u>62,843</u></b>	<b><u>67,368</u></b>

**11. CURRENT LIABILITIES**

Amounts falling due within one year:		
Trade Creditors	<b>4,897</b>	<b>7,021</b>
Other Creditors	<b><u>42,893</u></b>	<b><u>50,605</u></b>
	<b><u>47,790</u></b>	<b><u>57,626</u></b>

**I & I FASHIONS LIMITED**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**For the year ended 30th June, 1998**

**12. SHARE CAPITAL**

Authorised		
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>

**13. RECONCILIATION OF THE MOVEMENTS IN SHAREHOLDERS' FUNDS**

	Share Capital £	Profit & Loss Account £	TOTAL £
At 1 <sup>st</sup> July 1996	100	14,759	14,859
Profit	<u>—</u>	<u>6,441</u>	<u>6,441</u>
	100	21,200	21,300
Dividends	<u>—</u>	<u>6,600</u>	<u>6,600</u>
At 1 <sup>st</sup> July 1997	100	14,600	14,700
Profit for the year	<u>—</u>	<u>4,247</u>	<u>4,247</u>
	100	18,847	18,947
Dividends	<u>—</u>	<u>—</u>	<u>—</u>
	<u>100</u>	<u>18,847</u>	<u>18,947</u>