

**COMPANY NUMBER:
3068521 (ENGLAND & WALES)**

**ACEPEARL LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999**

**SOKHI & ASSOCIATES
CHARTERED CERTIFIED ACCOUNTANTS
REGISTERED AUDITORS
86B ALBERT ROAD
ILFORD
ESSEX
IG1 1HR**



ACEPEARL LTD
COMPANY INFORMATION

Company Number: 3068521 (England & Wales)

Directors: M R A Mawji
A R A Mawji
R R A Mawji

Secretary: R R A Mawji

Registered Office: 778 Green Lane
Dagenham
Essex RM8 1YT

Auditors: Sokhi & Associates
Chartered Certified Accountants
Registered Auditors
86B Albert Road
Ilford
Essex
IG1 1HR

Bankers: LloydsTSB Bank Plc
4 / 5 Market Place
Bexleyheath
Kent DA6 7DU

ACEPEARL LTD
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

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ACEPEARL LTD
DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1999

The directors present their report and the financial statements for the year ended 31st March 1999.

Principal activities

The principal activity of the company continues to be that of dispensing chemists and related activities.

Directors' interests

The directors of the company during the year and their interests in the share capital of the company as recorded in the register of directors' interests were as follows:

	1999	1998
	No.	of shares
M R A Mawji	1	1
A R A Mawji	1	1
R R A Mawji	1	1
N R A Mawji (resigned 30th March 1998)	1	1

Responsibilities of the directors

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 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. 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.

Auditors

The auditors, Sokhi & Associates, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

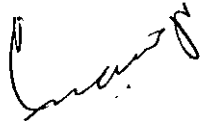
ACEPEARL LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 1999

This report was approved by the board on 8th November 1999 and has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (Effective March 1999).

On behalf of the board



.....
R R A Mawji

**REPORT OF THE AUDITORS
TO THE SHAREHOLDERS OF
ACEPEARL LTD
FOR THE 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 on page 6.

Respective responsibilities of 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 financial statements and to report our opinion to you.

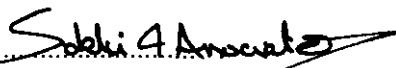
Basis of opinion

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 misstatements, 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 the company's affairs at 31st March 1999 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.


Sokhi & Associates
Chartered Certified Accountants
Registered Auditors
86B Albert Road
Ilford
Essex
IG1 1HR

12th November 1999

ACEPEARL LTD
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1999

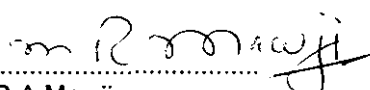
	Note	1999 £	1998 £
Turnover	2	826,263	746,959
Cost of sales		648,491	580,725
Gross profit		<u>177,772</u>	<u>166,234</u>
Administrative expenses		97,686	80,446
		<u>80,086</u>	<u>85,788</u>
<i>Other operating income</i>		1,950	2,340
Operating profit	3	82,036	88,128
Interest payable		(21,581)	(17,154)
Profit on ordinary activities before taxation		<u>60,455</u>	<u>70,974</u>
Tax on profit on ordinary activities	4	(17,390)	(22,038)
Retained profit for the year		<u><u>£ 43,065</u></u>	<u><u>£ 48,936</u></u>

The annexed notes form part of these financial statements.

ACEPEARL LTD
BALANCE SHEET
AS AT 31ST MARCH 1999

	Note	£	1999	£	1998	£
Fixed assets						
Intangible assets	5		184,039		195,541	
Tangible assets	6		23,483		27,477	
			<u>207,522</u>		<u>223,018</u>	
Current assets						
Stocks		45,720		47,034		
Debtors	7	251,346		189,408		
Cash at bank and in hand		1,712		1,024		
			<u>298,778</u>	<u>237,466</u>		
Creditors						
Amounts falling due within one year	8	138,222		121,087		
			<u>160,556</u>	<u>116,379</u>		
Net current assets						
			<u>368,078</u>	<u>339,397</u>		
Total assets less current liabilities						
Creditors						
Amounts falling due after more than one year	9		(225,292)		(239,676)	
			<u>£ 142,786</u>	<u>£ 99,721</u>		
Net assets						
Capital and reserves						
Called up share capital	10		4		4	
Profit and loss account	11		142,782		99,717	
			<u>£ 142,786</u>	<u>£ 99,721</u>		
Shareholders' funds						

Approved by the board of directors on 8th November 1999 and signed on its behalf. These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Small Entities (Effective March 1999).


M R A Mawji

The annexed notes form part of these financial statements.

ACEPEARL LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

1. Accounting policies

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report and which is continuing.

Cash flow statement

The Company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

Depreciation and diminution in value of assets

Tangible fixed assets are stated at cost less depreciation

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold land & buildings	10% straight line basis
Fixtures and fittings	15% reducing balance basis
Goodwill	5% straight line basis

Stocks

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

Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

Pension costs

The company operates a defined contribution pension scheme and pension contributions are charged to profit and loss account to spread the cost of the pensions over the employees working lives.

ACEPEARL LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

2. Turnover

Turnover is attributable solely to continuing operations and derives from one activity that of dispensing chemists.

The turnover and profit before taxation is attributable to the principal activity of the company, and is earned entirely within the United Kingdom.

3. Operating profit

	1999	1998
	£	£
This is stated after charging:		
Directors' remuneration	12,040	-
Auditors' remuneration and expenses	550	500
Depreciation of assets	15,495	15,749
Pension Costs	2,500	-
	<u> </u>	<u> </u>

4. Taxation on profit on ordinary activities

	1999	1998
	£	£
Current year:		
United Kingdom Corporation Tax	17,390	22,038
	<u> </u>	<u> </u>
	<u>£17,390</u>	<u>£22,038</u>
	<u> </u>	<u> </u>

ACEPEARL LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

5. Intangible fixed assets

	Goodwill £
Cost:	
At 1st April 1998	230,048
	<hr/>
At 31st March 1999	230,048
	<hr/>
Amortisation:	
At 1st April 1998	34,507
Charge for the year	11,502
	<hr/>
At 31st March 1999	46,009
	<hr/>
Net book value:	
At 31st March 1999	£184,039
	<hr/>
At 31st March 1998	£195,541
	<hr/>

6. Tangible fixed assets

	Land and Buildings £	Plant and Machinery etc £	Total £
Cost:			
At 1st April 1998	25,562	15,564	41,126
	<hr/>	<hr/>	<hr/>
At 31st March 1999	25,562	15,564	41,126
	<hr/>	<hr/>	<hr/>
Depreciation:			
At 1st April 1998	7,669	5,981	13,650
Charge for the year	2,556	1,437	3,993
	<hr/>	<hr/>	<hr/>
At 31st March 1999	10,225	7,418	17,643
	<hr/>	<hr/>	<hr/>
Net book value:			
At 31st March 1999	£15,337	£ 8,146	£23,483
	<hr/>	<hr/>	<hr/>
At 31st March 1998	£17,893	£ 9,583	£27,476
	<hr/>	<hr/>	<hr/>

ACEPEARL LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 1999

7. Debtors

	1999	1998
	£	£
Due within one year:		
Trade debtors	124,049	114,001
Amounts owed by group undertakings	112,305	57,405
Other debtors	14,992	18,002
	<u>£251,346</u>	<u>£189,408</u>

8. Creditors - amounts falling due within one year

	1999	1998
	£	£
Bank loans	12,280	10,176
Trade creditors	106,955	88,277
Taxation and social security	17,936	22,134
Other creditors	1,051	500
	<u>£138,222</u>	<u>£121,087</u>

9. Creditors - amounts falling due after more than one year

	1999	1998
	£	£
Bank loans	225,292	239,676
	<u>225,292</u>	<u>239,676</u>

The Bank Loan is secured by a first charge on Company's Freehold Premises.

10. Share capital

	1999	1998
	£	£
Authorised		
Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
	£	£
Allotted, called up and fully paid		
Ordinary shares of £1 each	4	4
	<u>4</u>	<u>4</u>

ACEPEARL LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 1999

11. Profit and loss account

	1999
	£
Balance at 1st April 1998	99,717
Profit retained for the year	43,065
	<hr/>
Balance at 31st March 1999	£142,782
	<hr/> <hr/>