

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

**ACEPEARL LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2003**



**SOKHI & ASSOCIATES LTD
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 Ltd
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 2003

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ACEPEARL LTD
DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST MARCH 2003

The directors present their report and the financial statements for the year ended 31st March 2003.

Principal activities

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

Donations

Payments of a charitable nature during the year amounted to £15,000.

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:

	2003	2002
	No.	of shares
M R A Mawji	1	1
A R A Mawji	1	1
R R A Mawji	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 2003

This report was approved by the board on 15th October 2003 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 June 2002).

On behalf of the board



.....
R R A Mawji

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF ACEPEARL LTD
FOR THE YEAR ENDED 31ST MARCH 2003

We have audited the financial statements on pages 5 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (Effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

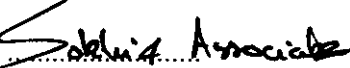
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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.

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF ACEPEARL LTD
FOR THE YEAR ENDED 31ST MARCH 2003

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 2003 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 Ltd
Chartered Certified Accountants
Registered Auditors
86B Albert Road
Ilford
Essex
IG1 1HR

20th October 2003

ACEPEARL LTD
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 2003

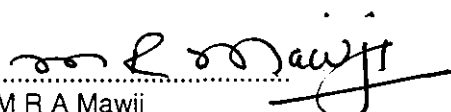
	Note	2003 £	2002 £
Turnover	2	1,125,961	985,687
Cost of sales		(842,320)	(741,556)
Gross Profit		<u>283,641</u>	<u>244,131</u>
Administrative expenses		(226,523)	(144,703)
		<u>57,118</u>	<u>99,428</u>
Other operating income		9,291	9,167
Operating profit	3	<u>66,409</u>	<u>108,595</u>
Interest payable		(8,512)	(11,394)
Profit on ordinary activities before taxation		<u>57,897</u>	<u>97,201</u>
Tax on profit on ordinary activities	4	(11,934)	(28,746)
Profit for the financial year		45,963	68,455
Dividends		(60,000)	(72,000)
Retained loss for the year		<u>£ (14,037)</u>	<u>£ (3,545)</u>

The annexed notes form part of these financial statements.

ACEPEARL LTD
BALANCE SHEET
AS AT 31ST MARCH 2003

	Note	2003	2002
		£	£
Fixed assets			
Intangible assets	5	138,029	149,532
Tangible assets	6	9,658	13,016
		<u>147,687</u>	<u>162,548</u>
Current assets			
Stocks		61,311	53,132
Debtors	7	314,420	374,310
Cash at bank and in hand		991	116
		<u>376,722</u>	<u>427,558</u>
Creditors			
Amounts falling due within one year	8	(293,135)	(341,911)
Net current assets		<u>83,587</u>	<u>85,647</u>
Total assets less current liabilities		<u>231,274</u>	<u>248,195</u>
Creditors			
Amounts falling due after more than one year	9	(147,119)	(150,003)
Net assets		<u>£ 84,155</u>	<u>£ 98,192</u>
Capital and reserves			
Called up share capital	10	3	3
Other reserves	11	1	1
Profit and loss account	12	84,151	98,188
Shareholders' funds		<u>£ 84,155</u>	<u>£ 98,192</u>

Approved by the board of directors on 15th October 2003 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 Smaller Entities (Effective June 2002).


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 2003

1. Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Effective June 2002).

Cashflow 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

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 stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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.

Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets. It is being written off in equal annual instalments over its estimated economic life.

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 2003

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

	2003	2002
	£	£
This is stated after charging:		
Directors' remuneration	30,757	30,242
Auditors' remuneration and expenses	550	500
Depreciation of owned assets	3,358	3,500
Goodwill Amortisation	11,502	11,502
	<u> </u>	<u> </u>

4. Taxation on profit on ordinary activities

	2003	2002
	£	£
Current Tax:		
UK corporation tax on profits of the period	11,934	28,746
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	11,934	28,746
	<u> </u>	<u> </u>

ACEPEARL LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2003

5. Intangible fixed assets

	Goodwill £
Cost:	
At 1st April 2002	230,048
At 31st March 2003	<u>230,048</u>
Amortisation:	
At 1st April 2002	80,517
Charge for the year	11,502
At 31st March 2003	<u>92,019</u>
Net book value:	
At 31st March 2003	<u>£138,029</u>
At 31st March 2002	<u>£149,531</u>

6. Tangible fixed assets

	Land and Buildings £	Fixtures and Fittings £	Total £
Cost:			
At 1st April 2002	25,562	16,126	41,688
At 31st March 2003	<u>25,562</u>	<u>16,126</u>	<u>41,688</u>
Depreciation:			
At 1st April 2002	17,893	10,779	28,672
Charge for the year	2,556	802	3,358
At 31st March 2003	<u>20,449</u>	<u>11,581</u>	<u>32,030</u>
Net book value:			
At 31st March 2003	<u>£ 5,113</u>	<u>£ 4,545</u>	<u>£ 9,658</u>
At 31st March 2002	<u>£ 7,669</u>	<u>£ 5,347</u>	<u>£13,016</u>

ACEPEARL LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2003

7. Debtors

	2003 £	2002 £
Due within one year:		
Trade debtors	169,458	148,869
Amounts owed by group undertakings	125,254	206,956
Other debtors	19,708	18,485
	<u>£314,420</u>	<u>£374,310</u>

8. Creditors - amounts falling due within one year

	2003 £	2002 £
Bank loans	-	24,605
Trade creditors	73,327	133,990
Taxation and social security	13,346	29,744
Director's current account	204,133	152,593
Other creditors	2,329	979
	<u>£293,135</u>	<u>£341,911</u>

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

	2003 £	2002 £
Bank loans	147,119	150,003
	<u>147,119</u>	<u>150,003</u>

10. Share capital

	2003 £	2002 £
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	3	3
	<u>3</u>	<u>3</u>

ACEPEARL LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2003

11. Other reserves

	2003
	£
Capital redemption reserve	
Balance b/f - Capital redemption reserve	1
	<u> </u>

12. Profit and loss account

	2003
	£
Balance at 1st April 2002	98,188
Loss suffered for the year	(14,037)
	<u> </u>
Balance at 31st March 2003	<u>£ 84,151</u>