

FAIRDEAL IMPORTERS & EXPORTERS LIMITED

2372



Directors' Report And Unaudited Financial Statements

For the year ended 30 March 2008

Company Registration No. 3091580 (England And Wales)

FAIRDEAL IMPORTERS & EXPORTERS LIMITED

COMPANY INFORMATION

Directors	A.S. Johl J.K. Johl
Secretary	J.K. Johl
Company number	3091580
Registered office	Devonshire House 60 Goswell Road London EC1M 7AD
Accountants	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Bankers	Royal Bank of Scotland 97 New Bond Street London W1S 1EV

FAIRDEAL IMPORTERS & EXPORTERS LIMITED

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FAIRDEAL IMPORTERS & EXPORTERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 MARCH 2008

The directors present their report and financial statements for the year ended 30 March 2008.

Principal activities

The principal activities of the company throughout the year were those of importers and exporters of general garments and accessories.

Directors

The following directors have held office since 31 March 2007:

A.S. Johl

J.K. Johl

Charitable donations	2008 £	2007 £
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During the year the company made the following payments:

Charitable donations	-	418
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Statement of directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

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

On behalf of the board


A.S. Johl

Director

...24.11.09...

FAIRDEAL IMPORTERS & EXPORTERS LIMITED

CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF FAIRDEAL IMPORTERS & EXPORTERS LIMITED

In accordance with the engagement letter dated 1 May 2006, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of Fairdeal Importers & Exporters Limited for the year ended 30 March 2008, set out on pages 3 to 10 from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters we have agreed to state to them in this 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 Board of Directors as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 30 March 2008 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Kingston Smith LLP

Kingston Smith LLP

Chartered Accountants

25 November 2009

Devonshire House
60 Goswell Road
London
EC1M 7AD

FAIRDEAL IMPORTERS & EXPORTERS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 MARCH 2008

	Notes	2008 £	2007 £
Turnover	2	3,435,073	3,870,100
Cost of sales		(2,945,552)	(3,600,124)
Gross profit		489,521	269,976
Administrative expenses		(275,772)	(435,090)
Operating profit/(loss)	3	213,749	(165,114)
Other interest receivable and similar income	4	340	287
Interest payable and similar charges		(118,072)	(71,787)
Profit/(loss) on ordinary activities before taxation		96,017	(236,614)
Tax on profit/(loss) on ordinary activities	5	711	25,760
Profit/(loss) for the year	13	96,728	(210,854)

FAIRDEAL IMPORTERS & EXPORTERS LIMITED

BALANCE SHEET AS AT 30 MARCH 2008

	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	7		26,179		34,440
Current assets					
Stocks		176,244		58,000	
Debtors	8	795,742		665,575	
Cash at bank and in hand		13,501		142,985	
		<u>985,487</u>		<u>866,560</u>	
Creditors: amounts falling due within one year	9	<u>(1,004,232)</u>		<u>(963,094)</u>	
Net current liabilities			<u>(18,745)</u>		<u>(96,534)</u>
Total assets less current liabilities			7,434		(62,094)
Creditors: amounts falling due after more than one year	10		(8,300)		(13,500)
Net liabilities			<u>(866)</u>		<u>(75,594)</u>
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		(966)		(75,694)
Shareholders' deficit			<u>(866)</u>		<u>(75,594)</u>

FAIRDEAL IMPORTERS & EXPORTERS LIMITED

BALANCE SHEET (CONTINUED) AS AT 30 MARCH 2008

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

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 with the Financial Reporting Standard for Smaller Entities (effective January 2007).

Approved by the Board for issue on 24/11/09


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A.S. Johi
Director

Company Registration No. 3091580

FAIRDEAL IMPORTERS & EXPORTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 MARCH 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). Accounting policies remain unchanged from the previous year.

The balance sheet on page 4 shows the company having net current liabilities of £18,745 (2007: £96,534) and net liabilities of £866 (2007: £75,594) at 30 March 2008. The directors have given undertakings to the company to provide such financial support as is necessary to enable the company to meet its obligations as and when they fall due. The directors are therefore of the opinion that it is appropriate for the financial statements to be prepared on the going concern basis.

1.2 Turnover

Turnover represents the invoiced value of goods and services provided net of value added tax and is wholly attributable to the principal activity of the company.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	20% straight line
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

1.4 Leasing and hire purchase commitments

Assets held under finance lease and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease on a straight line basis.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition, including where appropriate, a proportion of manufacturing overheads.

1.6 Pensions

The company operates a defined contribution scheme for the benefit of its directors. Contributions payable are charged to the profit and loss account in the year they are payable.

1.7 Deferred taxation

In accordance with the FRSSE, deferred tax is recognised as a liability or asset if transactions or events that give the company an obligation to pay more tax in future or the right to pay less tax in future have occurred by the balance sheet date. The deferred tax balance has not been discounted.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

FAIRDEAL IMPORTERS & EXPORTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 MARCH 2008

1 Accounting policies (continued)

1.9 Invoice discounting

The company uses invoice discounting services. The debts are with full recourse, and the accounting treatment adopted in accordance with the FRSSE is to present the debtors and the liability to the finance house separately.

2 Turnover

In the year to 30 March 2008 25% (2007 - 14%) of the company's turnover was to markets outside the United Kingdom.

3 Operating profit/(loss)	2008 £	2007 £
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	8,726	11,480
Directors' emoluments	16,373	16,373
	<u>25,100</u>	<u>27,853</u>

During the year, contributions accrued to 0 (2007 : 1) director under a money purchase scheme.

4 Investment income	2008 £	2007 £
Bank interest	340	287
	<u>340</u>	<u>287</u>

5 Taxation	2008 £	2007 £
Domestic current year tax		
U.K. corporation tax	250	(24,390)
Current tax charge	<u>250</u>	<u>(24,390)</u>
Deferred tax		
Deferred tax (credit) current year	(961)	(1,370)
	<u>(711)</u>	<u>(25,760)</u>

The company has estimated losses of £ nil (2007 - £ 99,318) available for carry forward against future trading profits.

FAIRDEAL IMPORTERS & EXPORTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 MARCH 2008

6	Dividends	2008 £	2007 £
	Ordinary interim paid	22,000	22,000

7	Tangible fixed assets	Land and buildings £	Plant and machinery etc £	Total £
	Cost			
	At 31 March 2007	8,167	61,161	69,328
	Additions	-	465	465
	Disposals	(8,167)	-	(8,167)
	At 30 March 2008	-	61,626	61,626
	Depreciation			
	At 31 March 2007	8,167	26,721	34,888
	On disposals	(8,167)	-	(8,167)
	Charge for the year	-	8,726	8,726
	At 30 March 2008	-	35,447	35,447
	Net book value			
	At 30 March 2008	-	26,179	26,179
	At 30 March 2007	-	34,440	34,440

The net book value of tangible fixed assets includes £20,937 (2007 - £27,916) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £6,979 (2007 - £9,305) for the year.

8	Debtors	2008 £	2007 £
	Trade debtors	569,385	532,192
	Other debtors	224,478	132,465
	Deferred tax asset (see note 11)	1,879	918
		795,742	665,575

Included in trade debtors are invoice discounted amounts of £332,948 (2007 : £349,079).

FAIRDEAL IMPORTERS & EXPORTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 MARCH 2008

9 Creditors: amounts falling due within one year	2008 £	2007 £
Bank loans and overdrafts	-	357,506
Net obligations under hire purchase contracts	4,800	4,800
Trade creditors	159,133	110,161
Taxation and social security	713	11,983
Other creditors	839,586	478,644
	<u>1,004,232</u>	<u>963,094</u>

Within other creditors is an invoice discounting facility of £242,813 (2007 : £421,981) which is secured by a fixed and floating charge.

The company granted a fixed and floating charge over its assets to Habib Bank AG Zurich on 1 August 2007.

10 Creditors: amounts falling due after more than one year	2008 £	2007 £
Net obligations under hire purchase contracts	<u>8,300</u>	<u>13,500</u>

11 Provisions for liabilities

The deferred tax asset (included in debtors, note 8) is made up as follows:

	2008 £	
Balance at 31 March 2007	(918)	
Profit and loss account	(961)	
Balance at 30 March 2008	<u>(1,879)</u>	
	2008 £	2007 £
Decelerated capital allowances	<u>(1,879)</u>	<u>(918)</u>

FAIRDEAL IMPORTERS & EXPORTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 MARCH 2008

12 Share capital	2008 £	2007 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 31 March 2007	(75,694)
Profit for the year	96,728
Dividends paid	(22,000)
Balance at 30 March 2008	(966)

14 Transactions with directors

At 30 March 2008 the company owed A.S. Johl a total of £23,400 (2007 : £37,635), and owed J.K. Johl a total of £16,222 (2007 : £4,883).

15 Control

A.S. Johl controls the company by virtue of his majority shareholding.

16 Related party transactions

At the balance sheet date the company was owed £10,985 (2007 : £10,985) by the sister of the director A.S. Johl, which is included within other debtors.

Also included in other debtors is an amount of £27,087 (2007 : £26,085) due from the brother of the director A.S. Johl.

Included in other debtors is an amount of £17,315 (2007: £17,315) due from Fairdeal (Canada) Corporation Ltd, a company incorporated in Canada of which A.S. Johl is a director.

Included in other creditors is an amount of £341,792 due to Fairdeal (Hong Kong) Corporation Ltd, a company incorporated in Hong Kong of which A.S. Johl and J.K Johl are joint owners.