

KEYANI & SONS LIMITED
REPORT AND FINANCIAL STATEMENTS
31ST AUGUST 2005



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COMPANY INFORMATION

COMPANY NO: 3849007

REGISTERED OFFICE: Unit 23-25
Cobham Business Centre
Cobham Road
Birmingham
B9 4UP

DIRECTORS: Mr Q U Z Kayani
Mrs N A Kayani

SECRETARY: Mrs N A Kayani

ACCOUNTANT: Nawab & Co
284C High Street
Smethwick
West Midlands
B66 3NU

BANKERS: National Westminster Bank
36 Highfield Road
Edgbaston
Birmingham
B15 3BJ

DIRECTORS REPORT

The Directors present their Annual Report and the Financial Accounts for the year ended 31st August 2005.

Principal Activities

The principal activities of the Company consist of manufacturer and wholesaler of uncooked meat and allied products.

Business Review

The company achieved a profit of £23,149 before taxation as set out on page no 5 of the accounts.

The Directors are confident that the turnover and probability will be improved in the forthcoming year.

DIVIDENDS

The Company has paid a dividend of £18,000 in 2005 (2004 - £25,000).

DIRECTOR

The Directors who served during the year and their interests in the share capital of the Company were as follows:

	At 31st August 2005	At 31st August 2004
Mr Q U Z Kayani	30	30
Mrs N A Kayani	30	30

TAX STATUS

In the opinion of the Directors the Close Company provision of Income and Corporation Taxes Act 1988 apply to the Company.

BY ORDER OF THE BOARD


MRS N A KAYANI - DIRECTOR

Dated: 12th December 2005

STATEMENT OF DIRECTORS RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial period, which 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 ;
- * state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- * prepare the financial statements on the going concern basis, unless it is inappropriate that the company will continue in business.

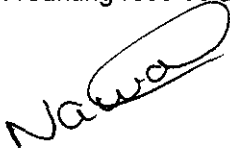
The Directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for ensuring that the directors' report and other information included in the annual report is prepared in accordance with company law in the United Kingdom.

KEYANI & SONS LIMITED

ACCOUNTANTS REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF KEYANI & SONS LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31st August 2005 set out on pages 5 to 11, and you consider that the company is exempt from an audit and a report under Section 249 (2) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanation supplied to us.



NAWAB & CO
ACCOUNTANTS
284C High Street
Smethwick
West Midlands
B66 3NU

Dated: 12th December 2005

KEYANI & SONS LIMITED**PROFIT AND LOSS ACCOUNT
for the year ended 31st August 2005**

	NOTE	2005 £	2004 £
Turnover	1	2,721,510	2,937,919
Cost of Materials and Consumables		2,323,245	2,514,946
		<hr/>	<hr/>
Gross Profit		398,265	422,973
Other Operating Costs		169,249	171,821
Staff Costs	2	170,340	161,114
Depreciation		35,527	52,584
		<hr/>	<hr/>
Operating Profit	3	23,149	37,454
Interest payable		-	-
		<hr/>	<hr/>
Profit on ordinary activities before taxation		23,149	37,454
Tax on profit on ordinary activities	4	4,697	9,973
		<hr/>	<hr/>
Profit on ordinary activities after taxation		18,452	27,481
Dividends		18,000	25,000
		<hr/>	<hr/>
Retained profit for the year	11	452	2,481
		<hr/>	<hr/>

There were no recognised gains or losses during the above periods other than the results shown above.

None of the Company's activities were acquired or discontinued during the above periods.

KEYANI & SONS LIMITED**BALANCE SHEET
as at 31st August 2005**

	NOTE	2005 £	2004 £
FIXED ASSETS	5		
Tangible Fixed Assets		160,223	145,140
Intangible Fixed Assets		<u>73,546</u>	<u>88,255</u>
		233,769	233,395
		<u> </u>	<u> </u>
CURRENT ASSETS			
Stocks	6	85,153	65,539
Debtors	7	81,458	82,872
Cash in Hand & at Bank		30,311	104,976
		<u>196,922</u>	<u>253,387</u>
		<u> </u>	<u> </u>
CREDITORS			
Amounts falling due within one year	8	<u>245,205</u>	<u>302,210</u>
		<u> </u>	<u> </u>
NET CURRENT LIABILITIES		(48,283)	(48,823)
		<u> </u>	<u> </u>
Total assets less current liabilities		185,486	184,572
		<u> </u>	<u> </u>
Provision for liabilities and charges	9	<u>12,353</u>	<u>11,891</u>
		<u> </u>	<u> </u>
NET ASSETS		173,133	172,681
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>
CAPITAL AND RESERVES			
Called up share capital	10	100	100
Profit and Loss Account	11	<u>173,033</u>	<u>172,581</u>
		<u> </u>	<u> </u>
SHAREHOLDERS FUNDS	12	173,133	172,681
		<u> </u>	<u> </u>
		<u> </u>	<u> </u>

The Directors are satisfied that the Company is entitled to exemption under Section 249A (1) of the Companies Act 1985 and no members have requested an audit pursuant to Section 249B (2) of the Act.

BALANCE SHEET (continued)
as at 31st August 2005

The Directors acknowledge their responsibilities for: -

- (i) ensuring that the company keep proper 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 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the Company.

The accounts have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 12th December 2005


MR Q U Z KAYANI - DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st August 2005

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the the Financial Reporting Standard for Small Entities (FRSSE).

Tangible Fixed Assets and Depreciation

Depreciation is provided evenly on the cost (or valuation where appropriate) of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to recoverable amount. Any such write down would be charged to operating profit unless it was a reversal of a past revaluation surplus in which case it would be taken to the statement of total recognised gains and losses.

The principal annual rates used are: -

Goodwill	10%
Plant and Machinery	5%
Furniture and Equipment	20%
Motor Vehicles	20%

Stock

Stock is valued at the lower of cost and estimated net realisable value on a method similar to first in, first out basis.

Deferred Taxation

Deferred Taxation is provided using the liability method in respect of the taxation effect of all timing differences other than those which are expected with reasonable probability to continue in the foreseeable future.

Turnover

Turnover consists of the invoiced value (excluding VAT) for goods and services supplied in the period. All turnover is derived from the principle activities within the United Kingdom.

Leases

Rentals paid under operating leases are charged against profits on a straight line basis over the terms of the lease.

Assets held under finance leases are included in the balance sheet and depreciated in accordance with the Company's normal accounting policies. The present value of future rentals is shown as a liability. The interest element of rental obligations is charged to the profit and loss account in equal instalments over the primary period of the lease.

2 EMPLOYEES

Average weekly number of employees, including Directors

	2005	2004
Management	2	2
Administration	3	4
Selling	3	3
Production & Distribution	23	22
	31	31

Staff cost, including Directors:

	2005	2004
Wages and Salaries	165,868	157,336
Social Security Costs	4,472	3,778
	170,340	161,114

DIRECTORS

Emoluments of the company's directors:

	2005	2004
As directors	10,400	10,400

KEYANI & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 31st August 2005

	2005 £	2004 £
3 OPERATING PROFIT		
Operating profit is stated after charging the following :		
Operating lease rentals	26,067	25,170
Depreciation of tangible fixed assets	20,818	37,875
	<u> </u>	<u> </u>
4 TAXATION		
Taxation Charge for the period:		
Corporation Tax	4,235	9,985
Deferred Taxation	462	(49)
Previous Year Adjustment	-	37
	<u> </u>	<u> </u>
	4,697	9,973
	<u> </u>	<u> </u>
Corporation Tax Rate	19%	19%

5 FIXED ASSETS

	Furniture & Equipment £	Plant & Machinery £	Motor Vehicles £	TOTAL £
COST				
At 31 August 2004	19,102	172,328	67,284	258,714
Additions	3,164	34,000	-	37,164
Disposals	-	(2,107)	-	(2,107)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2005	22,266	204,221	67,284	293,771
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
DEPRECIATION				
At 31 August 2004	8,893	53,964	50,717	113,574
Charged in Year	4,453	10,214	6,151	20,818
Disposals	-	(844)	-	(844)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2005	13,346	63,334	56,868	133,548
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
NET BOOK VALUE				
At 31 August 2005	8,920	140,887	10,416	160,223
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2004	10,209	118,364	16,567	145,140
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

INTANGIBLE FIXED ASSETS

	Goodwill £	Total £
COST		
At 31 August 2004	147,091	147,091
At 31 August 2005	147,091	147,091
	<u> </u>	<u> </u>
AMORTISATION		
At 31 August 2004	58,836	58,836
Charged in Year	14,709	14,709
At 31 August 2005	73,545	73,545
	<u> </u>	<u> </u>
NET BOOK VALUE		
At 31 August 2005	73,546	73,546
	<u> </u>	<u> </u>
At 31 August 2004	88,255	88,255
	<u> </u>	<u> </u>

KEYANI & SONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31st August 2005

	2005 £	2004 £
6 STOCKS		
Raw Material and Consumables	25,496	10,728
Finished Goods and Goods for Resale	59,657	54,811
	<u>85,153</u>	<u>65,539</u>
7 DEBTORS		
Trade Debtors	70,249	69,439
Other Debtors	7,869	9,015
Prepayments	3,340	4,418
	<u>81,458</u>	<u>82,872</u>
8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade Creditors	178,068	218,332
Corporation Tax	4,235	9,985
Other Taxation and Social Security	-	-
Directors Current Account	55,497	66,381
Accruals	7,405	7,512
	<u>245,205</u>	<u>302,210</u>
9 PROVISION FOR LIABILITIES AND CHARGES		
	Amount Provided	
	2005 £	2004 £
Deferred taxation comprises		
Accelerated Capital Allowances	12,353	11,891
Other timing differences	-	-
	<u>12,353</u>	<u>11,891</u>
The movement in the profit and loss account is as follows: -		
Balance at 1st September 2004	11,891	11,940
Charge/(Release) for the Period in the Profit & Loss Account	462	(49)
Balance at 31st August 2005	<u>12,353</u>	<u>11,891</u>
10 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>
11 RESERVES		
Profit & Loss Account		
At 1 September 2004	172,581	170,100
Retained Profit	452	2,481
At 31 August 2005	<u>173,033</u>	<u>172,581</u>

KEYANI & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31st August 2005****12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	2005	2004
	£	£
Profit for the financial year	18,452	27,481
Dividends	18,000	25,000
	<u>452</u>	<u>2,481</u>
Opening shareholders' funds	<u>172,681</u>	<u>170,200</u>
Closing shareholders' funds	<u><u>173,133</u></u>	<u><u>172,681</u></u>

13 RELATED PARTY TRANSACTIONS

- a) The Company is controlled by a Director.
- b) Director's loan account subsisted during the year. See Note 9.