

**Registration number 03857228**

**Y & L Company Limited**

**Director's report and unaudited financial statements**

**for the year ended 28 February 2006**



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## Y & L Company Limited

### Company information

Director	Mr S Lim
Secretary	Miss W Yuan
Company number	03857228
Registered office	Unit 2A Nexus Gloucester Business Park Hurricane Road Gloucester GL3 4AG
Accountants	Apsleys 21 Bampton Street Tiverton Devon EX16 6AA
Bankers	HSBC Bank plc The Cross Gloucester GL1 2AP

# Y & L Company Limited

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**Y & L Company Limited**

**Director's report  
for the year ended 28 February 2006**

The director presents his report and the financial statements for the year ended 28 February 2006.

**Principal activity**

The principal activity of the company is that of wholesale of giftware.

**Director and his interest**


The director who served during the year and his interest in the company are as stated below:

	<b>Class of share</b>	<b>28/02/06</b>	<b>01/03/05</b>
Mr S Lim	Ordinary shares	100	100

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

This report was approved by the Board on \_\_\_\_\_ and signed on its behalf by

Mrs W Yuan  
Secretary

 18/08/2006

**Y & L Company Limited**

**Accountants' report to the director on the  
unaudited financial statements of Y & L Company Limited**

In accordance with the engagement letter dated 9 November 2005, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the profit and loss account, the balance sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the company's director in accordance with the terms of our 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 director that we have done so, and state those matters that we have agreed to state to him 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 director 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 for the year ended 28 February 2006 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.

*Apsleys*

Apsleys  
Chartered Accountants  
21 Bampton Street  
Tiverton  
Devon  
EX16 6AA

*11 September 2006*

**Y & L Company Limited**

**Profit and loss account  
for the year ended 28 February 2006**

		2006	2005
	Notes	£	£
<b>Turnover</b>	<b>2</b>	274,865	325,494
Cost of sales		(157,754)	(193,903)
<b>Gross profit</b>		117,111	131,591
Administrative expenses		(89,362)	(106,662)
<b>Operating profit</b>	<b>3</b>	27,749	24,929
Other interest receivable and similar income		581	1,108
<b>Profit on ordinary activities before taxation</b>		28,330	26,037
Tax on profit on ordinary activities	<b>5</b>	(4,583)	(4,914)
<b>Profit on ordinary activities after taxation</b>		23,747	21,123
Dividends		-	(35,000)
<b>Retained profit/(loss) for the year</b>		23,747	(13,877)
Retained profit brought forward		58,874	72,751
<b>Retained profit carried forward</b>		82,621	58,874

The notes on pages 6 to 9 form an integral part of these financial statements.

**Y & L Company Limited**

**Balance sheet  
as at 28 February 2006**

		2006		2005	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	6		26,758		8,054
<b>Current assets</b>					
Stocks		44,569		49,874	
Debtors	7	33,292		68,001	
Cash at bank and in hand		13,875		(6,477)	
		<u>91,736</u>		<u>111,398</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(34,054)</u>		<u>(59,854)</u>	
<b>Net current assets</b>			<u>57,682</u>		<u>51,544</u>
<b>Total assets less current liabilities</b>			84,440		59,598
<b>Provisions for liabilities and charges</b>	9		<u>(1,719)</u>		<u>(624)</u>
<b>Net assets</b>			<u>82,721</u>		<u>58,974</u>
<b>Capital and reserves</b>					
Called up share capital	10		100		100
Profit and loss account			82,621		58,874
<b>Shareholders' funds</b>			<u>82,721</u>		<u>58,974</u>

The director's statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 9 form an integral part of these financial statements.

**Y & L Company Limited**

**Balance sheet (continued)**

**Director's statements required by Section 249B(4)  
for the year ended 28 February 2006**

In approving these financial statements as director of the company I hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 28 February 2006 and

(c) that I acknowledge my responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

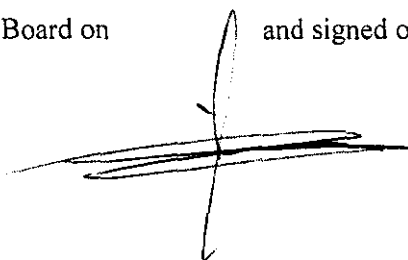
(2) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

These financial statements are 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 January 2005).

The financial statements were approved by the Board on

and signed on its behalf by

**Mr S Lim**  
**Director**



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**The notes on pages 6 to 9 form an integral part of these financial statements.**



## Y & L Company Limited

### Notes to the financial statements for the year ended 28 February 2006

#### 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 2005).

##### 1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

##### 1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	15% reducing balance basis
Fixtures, fittings and equipment	-	15% reducing balance basis
Computer equipment	-	3 years straight line

##### 1.4. Stock

Stock is valued at the lower of cost and net realisable value.

##### 1.5. Deferred taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

##### 1.6. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

#### 2. Turnover

Turnover attributable to geographical markets outside the United Kingdom amounted to 3% for the year.

#### 3. Operating profit

	2006	2005
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	4,847	1,421

# Y & L Company Limited

## Notes to the financial statements for the year ended 28 February 2006

..... continued

### 4. Director's emoluments

	2006	2005
	£	£
Remuneration and other benefits	<u>6,000</u>	<u>6,000</u>

### 5. Tax on profit on ordinary activities

Analysis of charge in period	2006	2005
	£	£
<b>Current tax</b>		
UK corporation tax	3,487	4,699
Adjustments in respect of previous periods	<u>1</u>	<u>-</u>
	<u>3,488</u>	<u>4,699</u>
Total current tax charge	<u>3,488</u>	<u>4,699</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	1,095	215
Total deferred tax	<u>1,095</u>	<u>215</u>
Tax on profit on ordinary activities	<u>4,583</u>	<u>4,914</u>

### Factors affecting tax charge for period

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (19 %). The differences are explained below:

	£	£
Profit on ordinary activities before taxation	<u>28,330</u>	<u>26,037</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (28 February 2005 : 19%)	5,383	4,947
<b>Effects of:</b>		
Expenses not deductible for tax purposes	402	233
Capital allowances for period in excess of depreciation	(1,095)	(215)
Adjustments to tax charge in respect of previous periods	1	-
Marginal relief	(1,203)	(1,134)
Additional tax re dividends	-	868
Current tax charge for period	<u>3,488</u>	<u>4,699</u>

# Y & L Company Limited

## Notes to the financial statements for the year ended 28 February 2006

..... continued

6. Tangible fixed assets	Fixtures, Plant and fittings and Computer machinery equipment equipment			Total £
	£	£	£	
<b>Cost</b>				
At 1 March 2005	-	12,175	-	12,175
Additions	5,569	17,399	583	23,551
At 28 February 2006	<u>5,569</u>	<u>29,574</u>	<u>583</u>	<u>35,726</u>
<b>Depreciation</b>				
At 1 March 2005	-	4,121	-	4,121
Charge for the year	835	3,818	194	4,847
At 28 February 2006	<u>835</u>	<u>7,939</u>	<u>194</u>	<u>8,968</u>
<b>Net book values</b>				
At 28 February 2006	<u>4,734</u>	<u>21,635</u>	<u>389</u>	<u>26,758</u>
At 28 February 2005	<u>-</u>	<u>8,054</u>	<u>-</u>	<u>8,054</u>

7. Debtors	2006 £	2005 £
Trade debtors	25,824	63,472
Other debtors	3,020	4,529
Prepayments and accrued income	4,448	-
	<u>33,292</u>	<u>68,001</u>

8. Creditors: amounts falling due within one year	2006 £	2005 £
Trade creditors	1,845	7,234
Corporation tax	3,487	-
Other taxes and social security costs	721	5,452
Director's accounts	24,111	42,309
Other creditors	3,890	4,859
	<u>34,054</u>	<u>59,854</u>

# Y & L Company Limited

## Notes to the financial statements for the year ended 28 February 2006

..... continued

### 9. Provisions for liabilities and charges

	Deferred taxation £	Total £
At 1 March 2005	624	624
Movements in the year	1,095	1,095
At 28 February 2006	<u>1,719</u>	<u>1,719</u>

10. Share capital	2006 £	2005 £
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

### 11. Related party transactions

As at the 28 February 2006 the company owed the director Mr S Lim £24,111 (2005: £42,309).

During the year the company paid rent of £10,000 to Mr S Lim and Miss W Yuan.

During the year Y & L Company Limited sold goods worth £4,992 (2005: £9,438) to Mr S Lim trading as Chinese Renaissance and has provided for £5,485 worth of these sales as bad debts.

### 12. Controlling interest

The company is controlled by Mr S Lim.