

WILTEX BY WILSON LIMITED

270937

ACCOUNTS

31st JANUARY 1990

WALKER & SUTCLIFFE

CHARTERED ACCOUNTANTS

HUDDERSFIELD



WILTEX BY WISLON LIMITED

Registered Office :

Wiltex House,
School Lane,
Kirkheaton,
Huddersfield.

DIRECTORS

G.S. Chima Snr
G.S. Chima Jnr
S.S. Khela

The Directors submit their Annual Report and Statement of Accounts for the year ended 31st January 1990.

Review of the Business

The principal activity of the Company is that of retail drapers. The Company continues to expand its retail outlets and during the year has acquired three new major high street outlets in Hull, Middlesbrough and Sunderland. As a result turnover has increased significantly together with improved margins. Financing costs and increased overheads have reduced the net profit for the year but the full effect of the enlarged operating base will be evident in the ensuing year. The policy of expanding the Company's warehousing facility and retail outlets continues and has embarked on strengthening its administrative staff and computer based accounting system to improve management controls. The Directors believe that the Company will continue to trade profitably in the ensuing year.

Results and Dividends

The profit for the year after taxation was £15,345 and before a dividend paid of £90,000. With opening reserves of £114,238 there remains £39,583 to be carried forward to reserves. The Directors do not recommend the payment of a further dividend.

Fixed Assets

During the year the Company completed the extension to the main warehouse at a cost of £46,535. The Company acquired sales outlets at Middlesbrough, Sunderland and Hull at a total cost of £565,000. The freehold land and property of Newland Works has been revalued and incorporated in these accounts to reflect a revaluation surplus of £555,716.

Post Balance Sheet Events

There have been no significant events after the balance sheet date which would affect the state of the Company's affairs or materially alter the results for the reporting year.

Directors' Interests

The interests of the Directors, including family interests in the shares of the Company were as follows :

	<u>4.2% Cum Pref</u>	<u>A. Ord</u>	<u>B. Ord</u>	<u>C. Ord</u>
G.S. Chim Snr	15591	21292	15326	1500
G.S. Chima Jnr	15591	21291	15327	1500
S.S. Khel	20787	28389	20435	2000

Taxation Status

The Company is a close Company within the provisions of the Income and Corporation Taxes Act 1988.

WILTEX BY WILSON LIMITED

Auditors

Walker & Sutcliffe have signified their willingness to continue in Office and a resolution proposing their re-appointment will be put before the Annual General Meeting.

by Order of the Board

S.S. Khela.

Huddersfield
1st May 1990

S.S. Khela
Secretary

AUDITORS' REPORT TO THE DIRECTORS OF

WILTEX BY WILSON LIMITED

PURSUANT TO PARAGRAPH 10 OF SCHEDULE 8

OF THE COMPANIES ACT 1985

We have examined the modified accounts on pages 2 and 3 together with the full financial statements of Wiltex By Wilson Limited for the year ended 31st January 1990. The scope of our work for the purpose of this report was limited to confirming that the Directors are entitled to deliver modified accounts and that the modified accounts have been properly prepared from the full financial statements.

In our opinion the Directors are entitled under Sections 247 to 249 of the Companies Act 1985 to deliver modified accounts in respect of the year ended 31st January 1990 and the modified accounts on pages 2 and 3 have been properly prepared in accordance with Schedule 8 to that Act.

On 1st May 1990 we reported, as auditors of Wiltex By Wilson Limited, to the members on the full financial statements prepared under Section 227 of the Companies Act 1985 for the year ended 31st January 1990, and our audit opinion was as follows:

"We have audited the financial statements on pages 4 to 11 in accordance with Auditing Standards.

In our opinion, the financial statements give a true and fair view of the state of the Company's affairs at 31st January 1990 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985".

Walker & Sutcliffe
Chartered Accountants
Huddersfield

1st May 1990

WILTEX BY WILSON LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31st JANUARY 1990

	<u>Notes</u>	<u>1990</u>	<u>11 Months</u> <u>1989</u>
Gross Profit		1747898	1010750
Other Operating Expenses	3	1620483	792700
Operating Profit		127415	218050
Other Income	4	71402	28427
Interest Payable	5	(120672)	(87511)
Profit on Ordinary Activities Before Taxation		78145	158966
Taxation	7	62800	35200
Profit on Ordinary Activities After Taxation		15345	123766
Dividend Paid		90000	-
		(74655)	123766
Balance Brought Forward		114238	(9528)
Balance Carried Forward		£ 39583	£114238

WILTEX BY WILSON LIMITEDBALANCE SHEET AS AT 31st JANUARY 1990

	<u>Note</u>	<u>1990</u>	<u>1989</u>
FIXED ASSETS			
Intangible Assets		318049	37200
Tangible Assets		1826892	960376
Investments		<u>54002</u>	<u>54002</u>
		2198943	1051578
CURRENT ASSETS			
Stocks		1110225	2160580
Debtors and Prepayments		1050028	297251
Cash at Bank and in Hand		<u>561437</u>	<u>449120</u>
		2721690	2906951
CREDITORS : Amounts falling due within one year		<u>(3166220)</u>	<u>(3195637)</u>
NET CURRENT LIABILITIES		(444530)	(288686)
Total Assets Less Current Liabilities		1754413	762892
CREDITORS : Amounts falling due after more than one year		(950085)	(439625)
PROVISIONS FOR LIABILITIES AND CHARGES			
Deferred Taxation		(30000)	(30000)
		<u>£774328</u>	<u>£293267</u>
CAPITAL AND RESERVES			
Called up Share Capital	2	179029	179029
Profit and Loss Account		39583	114238
Revaluation Reserve		<u>555716</u>	<u>-</u>
		£774328	£293267

In preparing these modified accounts :-

"We have relied upon the exemptions for individual financial statements contained in Section 247 and 249 of the Companies Act 1985 because, under that Act, the Company is entitled to benefit from those exemptions as a medium Company".

G.S. Chima

G.S. Chima)

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Directors

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S.S. Khela

S.S. Khela)

Approved by the Board of Directors on

1st May 1990

WILTEX BY WILSON LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDSFOR THE YEAR ENDED 31st JANUARY 1990

	<u>1990</u>	<u>1989</u>
SOURCE OF FUNDS		
Profit on Ordinary Activities Before Taxation	78145	158966
Adjustment for Items not Involving the Movement of Funds :		
Depreciation	191260	101632
Amounts written off Goodwill	37151	4900
Profit on Sale of Assets	(630)	-
TOTAL FUNDS GENERATED FROM OPERATIONS	305926	265498
Funds From Other Sources		
Proceeds of Sale of Fixed Assets	2000	-
	307926	265498
APPLICATION OF FUNDS		
Purchase of Fixed Assets	821430	534715
Dividend Paid	90000	-
Tax Paid	-	8299
	911430	543014
DECREASE IN WORKING CAPITAL	£(603504)	£(277516)
COMPONENTS OF DECREASE IN WORKING CAPITAL		
Stocks	(1050355)	898428
Debtors	752777	(270984)
Creditors	(710056)	(365310)
	(1007634)	262134
MOVEMENT IN NET LIQUID FUNDS		
Cash at Bank and in Hand	404130	(539650)
	£(603504)	£(277516)

WILTEX BY WILSON LIMITEDNOTES TO ACCOUNTS AT 31st JANUARY 1990(1) ACCOUNTING POLICIES

- a) The accounts are prepared under the historical cost convention.
- b) Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost of each asset evenly over its expected useful life.

The current rates of depreciation in use are :-

Buildings	- 2% p.a.
Fixtures and Fittings	- 15% p.a.
Computer Equipment	- 25% p.a.
Motor Vehicles	- 25% p.a.

- c) Stocks are stated at the lower of cost and net realisable value.
- d) Goodwill and lease premiums written off over ten years or the expected term of the lease whichever is shorter.
- e) Deferred taxation is provided using the liability method on all material timing differences.

(2) TURNOVER

Turnover represents the achieved receipts for trade goods sold, stated net of Value Added Tax. All sales have been made within the United Kingdom.

(3) OTHER OPERATING EXPENSES

	<u>1990</u>	<u>1989</u>
Distribution Costs	1385702	677068
Auditors Remuneration	7000	9100
Depreciation	191260	101632
Profit on Sale of Assets	(630)	-
Goodwill and Amortisation of	37151	4900
Lease Premiums		
	<u>£1620483</u>	<u>£792700</u>

(4) OTHER INCOME

Bank Interest Receivable	71402	28177
Rent Received	-	250
	<u>£71402</u>	<u>£28427</u>

(5) INTEREST PAYABLE

On Overdrafts and Loans

Repayable within 5 years - Bank Loan	95936	12386
Bank Overdraft	24736	75125
	<u>£120672</u>	<u>£87511</u>

WILTEX BY WILSON LIMITEDNOTES TO ACCOUNTS AT 31st JANUARY 1990

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(6) DIRECTORS AND EMPLOYEES

The average weekly number of persons (including Directors) employed by the Company during the year was :

	<u>1990</u>	<u>1989</u>
Administration	12	8
Distribution	98	101
	<u>110</u>	<u>109</u>

Staff Costs

Directors' Remuneration	-	13625
Wages and Salaries	577041	274439
Social Security Costs	60578	24592
Pension	-	-
	<u>£637619</u>	<u>£312656</u>

(7) TAXATION

U.K. Corporation Tax at 35%	62800	35200
Underprovided previous years	-	-
Transfer to Deferred Taxation	-	-
	<u>£62800</u>	<u>£35200</u>

(8) INTANGIBLE FIXED ASSETS**GOODWILL AND LEASE PREMIUMS**

At Cost Brought Forward	53511	36011
Additional for Year	318000	17500
	<u>371511</u>	<u>53511</u>
Less Amortisation		
Brought Forward	16311	11411
Charge for Year	37151	4900
	<u>53462</u>	<u>16311</u>
Written Down Value Carried Forward	<u>£318049</u>	<u>£37200</u>

WILTEX BY WILSON LIMITED

NOTES TO ACCOUNTS AT 31st JANUARY 1990

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(9) TANGIBLE FIXED ASSETS

	<u>Freehold Land and Buildings</u>	<u>Fixtures, Fittings, Furniture & Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
Cost or Valuation				
at 1st February 1989	630998	492733	102015	1225746
Additions	46535	363187	93708	503430
Disposals	-	-	(9500)	(9500)
Revaluation Surplus	522467	-	-	522467
at 31st January 1990	1200000	855920	186223	2242143
Depreciation				
at 1st February 1989	19698	208200	37472	265370
Charge for the Year	13551	131152	46557	191260
On Disposals	-	-	(8130)	(8130)
Revaluation Surplus	(33249)	-	-	(33249)
at 31st January 1990	-	339352	75899	415251
Net Book Value				
at 31st January 1990	£1200000	£516568	£110374	£1826822
at 31st January 1989	£611300	£284533	£64543	£960376

The freehold land and buildings were professionally valued by Boultons Estate Agents Limited on 27th April 1990 at £1,200,000 on the basis of open market value for existing use.

(10) INVESTMENTS

	<u>1990</u>	<u>1989</u>
In Subsidiary Companies		
Ludlams (Pendleton) Ltd		
£1 Ordinary Shares	2500	2500
Odsal (Bradford) Property Investment Ltd		
£1 Ordinary Shares	10000	10000
£1 5% Cumulative preference Shares	30000	30000
	42500	42500
Less Provision for Losses	42498	42498
	2	2
Joseph Carr Ltd		
3000 £1 Ordinary Shares at Cost	20000	20000
May-Burn (Drapers) Ltd		
£1 Ordinary Shares at Cost	34000	34000
	£54002	£54002

All Companies are wholly owned and are registered in England.
Ludlams (Pendleton) Limited, Odsal (Bradford) Property Investment Limited and May-burn (Drapers) Limited have ceased to trade.
Joseph Carr Limited carries on business as ladies fashion wear retailers.

WILTEX BY WILSON LIMITEDNOTES TO ACCOUNTS AT 31st JANUARY 1990

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(10) INVESTMENT (Cont.)

Consolidated accounts have not been prepared as the Directors believe that these would serve no useful purpose and would cause unnecessary delay and expense.

(11) <u>STOCK</u>	<u>1990</u>	<u>1989</u>
Stocks of Goods for Resale	£1110225	£2160580

(12) DEBTORS AND PREPAYMENTS

Prepayments	279165	66588
Other Debtors	770863	230663
	£1050028	£297251

(13) CREDITORS

Amounts falling due within one year :

Directors' Bonus	-	11000
Bank Overdrafts	300934	1145147
Trade Creditors	2057609	1536238
Accruals	176849	104624
Taxation and Social Security	446302	261122
Other Creditors	30000	30000
Current Portion of Bank Loan (Note 15)	70000	28060
Amount due to Subsidiary	84526	79446
	£3166220	£3195637

(14) DIRECTORS' LOANS

These are interest free and there is no fixed date for repayment.

(15) BANK LOAN

The bank loan is secured by the bank holding a first charge on the freehold land and buildings. The loan is repayable in equal monthly instalments at the rate of 2% plus base rate.

(16) DEFERRED TAXATION

	<u>1990</u>	<u>1989</u>
Balance at 1st February 1989	30000	30000
Charge to Profit and Loss Account	-	-
	£30000	£30000

This provision represents the full potential liability in respect of fixed asset timing differences. There is no present intention to dispose of any land and buildings.

WILTEX BY WILSON LIMITEDNOTES TO ACCOUNTS AT 31st JANUARY 1990

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(17) CALLED UP SHARE CAPITAL

	<u>Authorised</u>	<u>Issued and Fully Paid</u>
Shares of £1 each		
A Ordinary	70972	70972
B Ordinary	51088	51088
C Ordinary	5000	5000
4.2% Cum. Preference	51969	51969
5.6% Cum. Preference	5000	-
	<u>184029</u>	<u>179029</u>

(18) CONTINGENT LIABILITIES

The Company has given unlimited guarantees in favour of the bank in respect of the bank borrowings of James Hartley Limited and Norman Hartley Limited.

(19) CAPITAL COMMITMENTS

At the balance sheet date the Directors had authorised and committed capital expenditure amounting to £100,000 relating to the extension of their premises at Kirkheaton.