

COMPANY NO. 726978

***EURESTEX LIMITED***

***REPORT AND ACCOUNTS***

***YEAR ENDED***

***30th JUNE 1995***

**AUDITORS**

**CLOUGH & COMPANY**

**CHARTFORD HOUSE**

**54, LITTLE HORTON LANE**

**BRADFORD**

**WEST YORKSHIRE**

**BD5 OBS**

**TEL: (01274) 735724**

**FAX: (01274) 370764**



**AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**EURESTEX LIMITED**

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

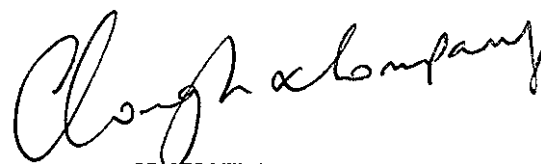
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements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

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th June 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartford House,  
54, Little Horton Lane,  
BRADFORD, BD5 0BS.



ClOUGH & COMPANY  
CHARTERED ACCOUNTANTS  
AND REGISTERED AUDITORS  
30TH APRIL 1996

## ***EURESTEX LIMITED***

---

### **DIRECTORS REPORT**

**YEAR ENDED 30TH JUNE 1995**

### **ACCOUNTS**

The directors present herewith their annual report, together with the financial statements of the company for the year ended 30th June 1995.

### **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The principal activity of the company is the merchanting of wool, yarn and waste products.

The difficult trading conditions experienced in recent years have begun to show signs of easing and the directors are pleased to report a significant increase in turnover and profitability.

### **RESULTS AND DIVIDENDS**

The profit on ordinary activities for the year after taxation amounted to £43,675 (1994: £69,442).

The directors recommend, as in the previous year, that no dividend be declared.

### **DIRECTORS**

The directors who served during the year were as follows, none of whom had an interest in the shares of the company.

A.D.N. Balme  
H.S. Wood

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year 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 those financial statements, the directors are required to

- select suitable accounting policies and 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 operational existence.

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.

***EURESTEX LIMITED***


---

**REPORT OF THE DIRECTORS (CONTINUED)**

**AUDITORS**

It is proposed that the company's present auditors, Clough & Company, be re-appointed as auditors to the company to hold office for the ensuing year.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to read 'P.J. Green', with a long horizontal flourish extending to the right.

P.J. GREEN  
SECRETARY

**EURESTEX LIMITED****COMPANY NO. 726978  
PROFIT AND LOSS ACCOUNT**

		Year Ended 30th JUNE	
	Note	1995	1994
TURNOVER	2	1507194	944616
Cost of sales		(1190933)	(736557)
		_____	_____
GROSS PROFIT		316261	208059
Distribution costs		(32183)	(24999)
Administrative expenses		(237230)	(113618)
		_____	_____
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	46848	69442
Taxation	4	3173	-
		_____	_____
PROFIT RETAINED	8	£43675	£69442
		=====	=====

All of the activities undertaken by the company during this and the preceding year were continuing activities.

All recognised gains and losses are reflected in the above profit and loss account.

The accompanying notes form part of these accounts.

**EURESTEX LIMITED****COMPANY NO. 726978  
BALANCE SHEET****As at 30th JUNE**

	Note	1995	1994
<b>CURRENT ASSETS</b>			
Stocks - Finished goods		228682	220499
Debtors	5	515699	634691
Cash at bank		269	-
		<u>744650</u>	<u>855190</u>
<b>CREDITORS - amounts falling due within one year</b>			
	6	(156107)	(310322)
		<u>£588543</u>	<u>£544868</u>
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	5000	5000
Profit and loss account	8	583543	539868
		<u>£588543</u>	<u>£544868</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>			
	9	<u>£588543</u>	<u>£544868</u>

The accompanying notes form part of these accounts.

APPROVED BY THE BOARD ON THE 30th April 1996

H.S. WOOD  
DIRECTOR

## ***EURESTEX LIMITED***

---

### **NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1995**

#### **1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable Accounting Standards.

The accounting policies, for dealing with items judged material or critical, in stating the results for the year and the financial position of the company, are:-

##### **a) BASIS OF ACCOUNTING**

The financial statements are prepared under the historical cost basis of accounting, and include the results of the activities described in the directors report, all of which are continuing.

##### **b) FOREIGN CURRENCIES**

Revenues and costs arising from transactions denominated in foreign currencies are translated into sterling at the rate of exchange in operation at the date on which the transaction occurred, or, where a transaction is covered by a matching forward contract, the rate of exchange specified in that contract.

Monetary assets and liabilities at the balance sheet date denominated in a foreign currency are translated using the rate of exchange at that date.

Exchange gains or losses are included as part of the profit or loss for the year from ordinary activities.

##### **c) DEFERRED TAXATION**

Provision is made for deferred taxation, using the liability method, in respect of short term timing differences and other timing differences which are not expected, with reasonable probability, to continue in the future. No material timing differences arise in these accounts.

##### **d) STOCKS**

Stocks are valued at the lower of cost and net realisable value.

#### **2. TURNOVER**

The turnover and pre-tax result are attributable to the company's principal activity and represents the invoiced amount of goods sold stated net of value added tax.

The analysis of turnover by geographical location is as follows:

	<b>1995</b>	<b>1994</b>
United Kingdom	272145	362653
Europe	1227840	567745
North America	22	14218
Rest of the World	7187	-
	<hr/>	<hr/>
	<b>£1507194</b>	<b>£944616</b>
	<hr/>	<hr/>

## ***EURESTEX LIMITED***

### **NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)**

<b>3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<b>1995</b>	<b>1994</b>
	<b>£</b>	<b>£</b>
is after charging/(crediting):		
Management charge	7704	(5000)
Auditors' remuneration	2160	2260
Exchange rate losses	172	6783
	<u>          </u>	<u>          </u>
<u>Staff costs</u>		
Wages and salaries	12061	17456
Social security costs	909	1816
	<u>          </u>	<u>          </u>
	<u>£12970</u>	<u>£19272</u>

The average weekly number of employees, excluding directors, during the year was 1 (1994: 1).

### **4. TAXATION**

UK corporation tax payable @ 25 % (1994: 25 %)	<u>£3173</u>	<u>£ -</u>
--	--------------	------------

### **5. DEBTORS**

Trade debtors	162981	337409
Amounts owed by group undertakings	352593	274664
Other debtors	-	22618
Prepayments	125	-
	<u>          </u>	<u>          </u>
	<u>£515699</u>	<u>£634691</u>

### **6. CREDITORS - Due within one year**

Bank overdraft	9959	9215
Trade creditors	12221	15933
Amounts owed to group undertakings	-	80569
Amounts owed to connected undertakings	98252	185762
Corporation tax	3173	-
Other taxes and social security payable	3469	-
Accruals and deferred income	29033	18843
	<u>          </u>	<u>          </u>
	<u>£156107</u>	<u>£310322</u>

The bank overdraft is secured by a floating charge on the assets of the company.



## ***EURESTEX LIMITED***

### **NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)**

<b>7. SHARE CAPITAL</b>	<b>1995</b>	<b>1994</b>
<u>Authorised</u>		
5000 ordinary shares of £1 each	£5000	£5000
	=====	=====
<u>Allotted, called up and fully paid</u>		
5000 ordinary shares of £1 each	£5000	£5000
	=====	=====
<b>8. RESERVES</b>		<b>Profit and Loss Account</b>
At 1st July 1994		539868
Profit for the year		43675
		=====
At 30th June 1995		£583543
		=====
<b>9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>	<b>1995</b>	<b>1994</b>
Profit for the year	43675	69442
Shareholders' funds at 1st July 1994	544868	475426
	=====	=====
Shareholders' funds at 30th June 1995	£588543	£544868
	=====	=====

### **10. DIRECTORS' INTERESTS IN TRANSACTIONS**

H.S. Wood, a director has interest in the material transactions of the following companies, by virtue of his shareholdings

<b>Company</b>	<b>Loans from at 30th June 1995 £</b>	<b>Purchases from £</b>	<b>Sales to £</b>	<b>Commission to £</b>
H.S.Wood (Textiles) Limited	89065	770000	14181	122084
Regina (Bradford) Limited	11000	-	-	-
	=====	=====	=====	=====

## ***EURESTEX LIMITED***

---

### **NOTES FORMING PART OF THE ACCOUNTS (CONTINUED)**

#### **11. CONTINGENT LIABILITIES**

There is in place banking guarantees with other group companies, D.H.C. (Bradford) Limited, V.R.A. Developments Limited, Rollbrief Limited and Fine Fibres Limited. The amount of this potential liability as at 30th June 1995 was £59,024.

#### **12. ULTIMATE HOLDING UNDERTAKING**

The company's ultimate holding undertaking is Fine Fibres Limited, a company registered in England and Wales.