

1569601

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 1997
FOR
VANIA JESMOND LTD**



VANIA JESMOND LTD

**INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 1997**

	Page
Company Information	1
Report of the Directors	2
Report of the Accountants	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	7

VANIA JESMOND LTD
COMPANY INFORMATION
FOR THE YEAR ENDED 31 JANUARY 1997

DIRECTORS:	Mrs V L Hansen Mrs D A Andrews Mr B Hansen
SECRETARY:	Mr D H Andrews
REGISTERED OFFICE:	89 Brynymor Road Swansea SA1 4JE
REGISTERED NUMBER:	1569601
ACCOUNTANTS:	John F Harvey and Sons Chartered Accountants 5-6 De La Beche Street Swansea SA1 3HA
BANKERS:	Midland Bank Plc 13 Dunraven Place Bridgend CF31 1JQ

VANIA JESMOND LTD

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JANUARY 1997

The directors present their report with the financial statements of the company for the year ended 31 January 1997.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of retailing fashion clothes.

DIRECTORS

The directors during the year under review were:

Mrs V L Hansen
Mrs D A Andrews
Mr B Hansen

The beneficial interests of the directors holding office on 31 January 1997 in the issued share capital of the company were as follows:

	31.1.97	1.2.96
Ordinary £1 shares		
Mrs V L Hansen	4,000	4,000
Mrs D A Andrews	5,000	5,000
Mr B Hansen	1,000	1,000

EARLY DELIVERY OF SPRING SEASON 1997

It is an important aspect of management control that each seasons's merchandise is treated as purchased for that season even if the merchandise is delivered early.

The directors have consistently maintained this policy since the company commenced trading.

For the year under review the amount of merchandise delivered early was a material amount but the directors considered that it would be unwise to adopt a different treatment in the Statutory Accounts to that adopted in the management accounts. Further details are given at notes 1, 9 and 11 to the Financial Statements.

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:



Mr D H Andrews - SECRETARY

Dated: 28.6 1997

VANIA JESMOND LTD

REPORT OF THE ACCOUNTANTS TO THE SHAREHOLDERS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
VANIA JESMOND LTD

We report on the financial statements for the year ended 31 January 1997 set out on pages four to twelve.

Respective responsibilities of directors and reporting accountants

As described on page five the company's directors are responsible for the preparation of the financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

John F Harvey & Sons

John F Harvey and Sons
Chartered Accountants
5-6 De La Beche Street
Swansea
SA1 3HA

Dated: 4 July 1997

VANIA JESMOND LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 1997**

		<u>31.1.97</u>	<u>31.1.96</u>
	Notes	£	£
TURNOVER	2	172,094	167,750
Cost of sales		<u>96,825</u>	<u>97,341</u>
GROSS PROFIT		75,269	70,409
Administrative expenses		<u>58,238</u>	<u>54,913</u>
		17,031	15,496
Other operating income		<u>3,410</u>	<u>1,272</u>
OPERATING PROFIT	4	20,441	16,768
Interest payable and similar charges	5	<u>7,073</u>	<u>10,285</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		13,368	6,483
Tax on profit on ordinary activities	6	<u>3,319</u>	<u>2,396</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		10,049	4,087
Dividends	7	<u>6,000</u>	<u>2,000</u>
		4,049	2,087
Retained profit brought forward		<u>3,240</u>	<u>1,153</u>
RETAINED PROFIT CARRIED FORWARD		<u><u>£7,289</u></u>	<u><u>£3,240</u></u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

VANIA JESMOND LTD

**BALANCE SHEET
31 JANUARY 1997**

		<u>31.1.97</u>		<u>31.1.96</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		112,105		113,149
CURRENT ASSETS:					
Stocks	9	45,126		37,574	
Debtors	10	2,631		1,011	
Cash in hand		<u>5</u>		<u>5</u>	
		47,762		38,590	
CREDITORS: Amounts falling due within one year	11	<u>32,902</u>		<u>24,997</u>	
NET CURRENT ASSETS:			<u>14,860</u>		<u>13,593</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			126,965		126,742
CREDITORS: Amounts falling due after more than one year	12		<u>90,506</u>		<u>94,332</u>
			<u>£36,459</u>		<u>£32,410</u>
CAPITAL AND RESERVES:					
Called up share capital	15		10,000		10,000
Revaluation reserve	16		19,170		19,170
Profit and loss account			<u>7,289</u>		<u>3,240</u>
Shareholders' funds	17		<u>£36,459</u>		<u>£32,410</u>

The company is entitled to exemption from audit under Section 249A(2) of the Companies Act 1985 for the year ending 31 January 1997.

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

VANIA JESMOND LTD

BALANCE SHEET
31 JANUARY 1997

These financial statements have 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:

Mrs V L Hansen - DIRECTOR

V. L. Hansen.

Mrs D A Andrews - DIRECTOR

[Signature]

Approved by the Board on

28.

1997

VANIA JESMOND LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 1997

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Fixtures and fittings	- 15% on cost
Motor vehicles	- 25% on cost

The freehold property is stated at its professional valuation at 6th December 1990. No depreciation is provided on the freehold property since the directors consider that the life of the asset is so long and the residual value so high that depreciation is inappropriate.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Stocks delivered early for the Spring Season 1997 have been excluded from the financial statements as have the related trade creditor balances. The amounts involved are detailed at notes 9 and 11.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Purchases

Deliveries of Spring merchandise are treated as purchases in the six months to July each year. Deliveries of Autumn merchandise are treated as purchases in the six months to January each year.

Where merchandise for any reason is delivered early (ie in the previous half year) it is not treated as purchased until the season has commenced nor is the merchandise put on sale to the public.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

VANIA JESMOND LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 1997**

3. STAFF COSTS

	31.1.97	31.1.96
	£	£
Pension costs (other than social security costs)	<u>1,250</u>	<u>1,250</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	31.1.97	31.1.96
	£	£
Depreciation - owned assets	3,000	991
Depreciation - assets on hire purchase contracts or finance leases	-	2,244
Profit on disposal of fixed assets	<u>(1,460)</u>	<u>(1,850)</u>
Directors' emoluments	<u>19,612</u>	<u>18,421</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

	31.1.97	31.1.96
	£	£
Bank charges and interest	1,144	2,281
Building Society interest	5,597	7,497
Hire purchase interest	<u>332</u>	<u>507</u>
	<u>7,073</u>	<u>10,285</u>

6. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	31.1.97	31.1.96
	£	£
UK Corporation Tax	<u>3,319</u>	<u>2,396</u>

UK Corporation Tax has been charged at 24% (1996 - 25%).

7. DIVIDENDS

	31.1.97	31.1.96
	£	£
Equity shares: Interim dividend paid	<u>6,000</u>	<u>2,000</u>

VANIA JESMOND LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 1997**

8. TANGIBLE FIXED ASSETS

	Freehold property	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1 February 1996	103,256	12,867	8,977	125,100
Additions	-	89	8,600	8,689
Disposals	-	-	(8,977)	(8,977)
At 31 January 1997	<u>103,256</u>	<u>12,956</u>	<u>8,600</u>	<u>124,812</u>
DEPRECIATION:				
At 1 February 1996	-	9,707	2,244	11,951
Charge for year	-	850	2,150	3,000
Eliminated on disposals	-	-	(2,244)	(2,244)
At 31 January 1997	<u>-</u>	<u>10,557</u>	<u>2,150</u>	<u>12,707</u>
NET BOOK VALUE:				
At 31 January 1997	<u>103,256</u>	<u>2,399</u>	<u>6,450</u>	<u>112,105</u>
At 31 January 1996	<u>103,256</u>	<u>3,160</u>	<u>6,733</u>	<u>113,149</u>

The historical cost of land and buildings is £84,086 (1996 £84,086). The company's freehold property was valued on 6th December 1990 by P F Matthews B.Sc.,A.R.I.C.S on an open market basis with vacant possession.

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Motor vehicles
	£
COST:	
At 1 February 1996	8,977
Disposals	(8,977)
At 31 January 1997	-
DEPRECIATION:	
At 1 February 1996	2,244
Eliminated on disposals	(2,244)
At 31 January 1997	-
NET BOOK VALUE:	
At 31 January 1997	-
At 31 January 1996	<u>6,733</u>

VANIA JESMOND LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 1997**

9. STOCKS

	31.1.97	31.1.96
	£	£
Stock	<u>45,126</u>	<u>37,574</u>

These consist of goods for resale. Merchandise for Spring 1997 costing £31,022 (1995 £25,267) had been delivered prior to the balance sheet date, but not taken into stock.

**10. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.1.97	31.1.96
	£	£
Trade debtors	2,047	671
Prepayments	<u>584</u>	<u>340</u>
	<u>2,631</u>	<u>1,011</u>

**11. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.1.97	31.1.96
	£	£
Bank loans and overdrafts (see note 13)	16,480	8,061
Principality Building Society (see note 13)	1,650	1,650
Trade creditors	3,229	2,386
Hire purchase	-	1,416
Other creditors	1,854	1,097
Social security & other taxes	7,870	8,491
Taxation	<u>1,819</u>	<u>1,896</u>
	<u>32,902</u>	<u>24,997</u>

If merchandise for Spring 1997 had been taken into stock the Trade Creditors would have increased by £31,022 (1996 £25,267).

**12. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31.1.97	31.1.96
	£	£
Principality Building Society (see note 13)	71,706	73,998
Unsecured loans from shareholders (see note 13)	18,800	18,800
Hire purchase	<u>-</u>	<u>1,534</u>
	<u>90,506</u>	<u>94,332</u>

VANIA JESMOND LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 1997**

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.1.97 £	31.1.96 £
Amounts falling due within one year or on demand:		
Bank overdrafts	16,480	8,061
Principality Building Society	<u>1,650</u>	<u>1,650</u>
	<u>18,130</u>	<u>9,711</u>
Amounts falling due between one and two years:		
Principality Building Society	<u>1,750</u>	<u>1,750</u>
Amounts falling due between two and five years:		
Principality Building Society	<u>5,250</u>	<u>5,250</u>
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Unsecured loans from shareholders	<u>18,800</u>	<u>18,800</u>
Repayable by instalments		
Principality Building Society	<u>64,706</u>	<u>66,998</u>

Unsecured loans from shareholders

The unsecured loans from shareholders are not repayable by instalments. No fixed repayment schedule has been entered into regarding these balances. However, the shareholders have agreed not to request repayment within five years of the current balance sheet date. In view of this the balances are held to be repayable after five years.

14. SECURED DEBTS

The following secured debts are included within creditors:

	31.1.97 £	31.1.96 £
Principality Building Society	<u>73,356</u>	<u>75,648</u>

The repayment mortgage is repayable over 25 years from 30th August 1988 and is secured on the freehold premises.

VANIA JESMOND LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 1997**

15. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.1.97	31.1.96
		£		£
25,000	Ordinary	£1	<u>25,000</u>	<u>25,000</u>

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.1.97	31.1.96
		£		£
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

16. REVALUATION RESERVE

	31.1.97	31.1.96
	£	£
Brought forward	<u>19,170</u>	<u>19,170</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.1.97	31.1.96
	£	£
Profit for the financial year	10,049	4,087
Dividends	<u>(6,000)</u>	<u>(2,000)</u>
NET ADDITION TO SHAREHOLDERS' FUNDS	4,049	2,087
Opening shareholders' funds	<u>32,410</u>	<u>30,323</u>
CLOSING SHAREHOLDERS' FUNDS	<u>36,459</u>	<u>32,410</u>
Equity interests	<u>36,459</u>	<u>32,410</u>

18. GOODWILL

The cumulative amount of goodwill written off at 31st January 1997 is £17,000 (1996 £17,000).