

SWAP SHOP LIMITED

ACCOUNTS

31 August 2001

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REISMAN & CO  
CHARTERED ACCOUNTANTS

63 High Road  
Bushey Heath  
Herts  
WD23 1EE

Company Registration Number 3024407



## SWAP SHOP LIMITED

### REPORT OF THE DIRECTORS

The directors have pleasure in submitting their annual report and the accounts of the Company for the year ended 31 August 2001.

### PRINCIPAL ACTIVITY

The principal activity of the Company during the year was that of pawn broking, the buying and selling of quality pre-owned goods and third party cheque encashment. The Company also started using its expertise to assist other companies in setting up their businesses.

### REVIEW OF THE BUSINESS

The results of the Company for the year under review are shown on page 3. The state of the Company's affairs at 31 August 2001 was not satisfactory. The directors expect this to improve in the coming year. During the trading period, the Company funded additional activities which will reflect additional income and reduced operating costs in the years 2002 and 2003, of approximately £55,000.

### DIRECTORS

The directors in office during the year and their interest in the issued ordinary share capital of the Company (together with that of their families) were as follows:-

	<u>31 August 2001</u>	<u>1 September 2000</u>
D Wheeler	50	50
N Khan	50	50

### FIXED ASSETS

Details of changes to the fixed assets of the Company are shown at notes 8 and 9 to the accounts.

### DIVIDENDS

The directors recommended and paid dividends amounting to £36,000 for the financial year currently under review (£36,000 in 2000).

Signed on behalf of the Board

X  
D Wheeler



Chairman

27 June 2002

SWAP SHOP LIMITEDProfit and Loss Account  
Year Ended 31 August 2001

	<u>Notes</u>	<u>2001</u>	<u>2000</u>
		£	£
Turnover	2	416,807	663,790
Cost of Sales		(208,742)	(280,579)
Gross Profit		208,065	383,211
Less Expenses:-			
Distribution costs		50,798	62,451
Administration & general expenses		312,042	446,010
Total expenses		(362,840)	(508,461)
		(154,775)	(125,250)
Other operating income		203,223	160,569
Operating Profit	3	48,448	35,319
Interest payable	5	(8,120)	(8,543)
Profit on ordinary activities before taxation		40,328	26,776
Tax on profit on ordinary activities	6	(8,693)	(7,097)
Profit on ordinary activities after taxation		31,635	19,679
Dividends	7	(36,000)	(36,000)
Loss for the year		(4,365)	(16,321)
(ADVERSE BALANCE)/RETAINED PROFIT BROUGHT FORWARD		(4,223)	12,098
ADVERSE BALANCE CARRIED FORWARD		(8,588)	(4,223)

The Company made no recognised gains or losses in the year ended 31 August 2001 other than the profit for the year.

The notes on pages 5 to 8 form part of these accounts.

SWAP SHOP LIMITEDBalance Sheet31 August 2001Notes20012000

## Fixed Assets

£

£

Intangible assets

8

10,093

12,652

Tangible assets

9

50,785

53,232

-----  
60,878-----  
65,884

## Current Assets

Stocks

11

51,687

61,426

Debtors

12

87,468

72,544

Cash at bank and in hand

13,080

1,964

-----  
152,235-----  
135,934

## Creditors

Amounts due within one year

13

171,601

205,941

Net Current Liabilities

(19,366)

(70,007)

Total Assets Less Current Liabilities

41,512

(4,123)

## Creditors

Amounts due after more than one year

14

(50,000)

-

-----  
(8,488)-----  
(4,123)

## Capital and Reserves

Called up share capital

15

100

100

Profit and loss account

(8,588)

(4,223)

Shareholders' Funds

16

(8,488)

(4,123)

In approving these financial statements as directors of the Company, we hereby confirm:-

- a) that for the year in question, 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 31 August 2001; and
- c) that we acknowledge our responsibilities for:-
  - (i) ensuring that the Company keeps accounting records which comply with section 221, 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 for the year then ended and which otherwise comply with the provisions of the Companies Act relating to accounts, so far as applicable to the Company.

The notes on pages 5 to 8 form part of these accounts.

D Wheeler

..... Director

Approved by the Board

On 27 June 2002

N Khan

..... Director

SWAP SHOP LIMITEDNotes to the AccountsYear Ended 31 August 2001

## 1 ACCOUNTING POLICIES

- a. The accounts have been prepared under the historical cost convention.
- b. Turnover represents the net amount of invoices to customers less credit notes for goods returned, excluding VAT.
- c. Depreciation is provided over the expected useful lives of fixed assets, at the following rates:-
 

Leasehold land and buildings	- over the term of the lease
Fixtures and fittings	- 20% on written down value
Goodwill	- over the term of the franchise
- d. 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.
- e. The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.
- f. Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the year of the lease. Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the years in which they are incurred.
- g. The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £504 (nil in 2000).
- h. The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

## 2 TURNOVER

The turnover and profit before taxation is attributable to the principal activity of the Company, which is as stated in the Report of the Directors. The whole of the turnover is attributable to the UK market.

	<u>2001</u>	<u>2000</u>
	£	£
3 OPERATING PROFIT		
The operating profit is stated after charging:-		
Staff costs (see note 4)	130,685	163,001
Hire of equipment	7,515	18,024
Operating lease rentals - land and buildings	51,907	81,246
	<u>          </u>	<u>          </u>
Depreciation of tangible fixed assets (see note 9)		
Owned assets	11,736	18,106
Amortisation of intangible fixed assets	2,559	3,838
	<u>          </u>	<u>          </u>
	<u>14,295</u>	<u>21,944</u>

SWAP SHOP LIMITEDNotes to the AccountsYear Ended 31 August 2001

	<u>2001</u>	<u>2000</u>
4 STAFF COSTS	£	£
Directors' remuneration	8,560	10,916
Wages and salaries	112,973	141,915
Social security	8,648	10,170
Staff pension scheme	504	-
	<u>130,685</u>	<u>163,001</u>

The average weekly number of employees during the year was as follows:-

Office and management	4	3
Sales	7	8
	<u>11</u>	<u>11</u>

## 5 INTEREST PAYABLE

Bank interest	5,232	4,518
Hire purchase interest	932	2,328
Other interest	698	-
Interest on late paid taxation	1,258	1,697
	<u>8,120</u>	<u>8,543</u>

The above bank interest is on loans and overdrafts wholly repayable within five years.

## 6 TAXATION

Corporation tax at 10%/20%/22½ % (2000 - 10%/20%/22½%)	<u>8,693</u>	<u>7,097</u>
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## 7 DIVIDENDS

Paid net	<u>36,000</u>	<u>36,000</u>
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## 8 INTANGIBLE FIXED ASSETS

	<u>Goodwill</u>
<u>Cost</u>	
At 1 September 2000 and 31 August 2001	<u>25,590</u>
<u>Depreciation</u>	
At 1 September 2000	12,938
Charge for year	2,559
At 31 August 2001	<u>15,497</u>
<u>Net Book Value</u>	
At 31 August 2001	<u>10,093</u>
At 1 September 2000	<u>12,652</u>

SWAP SHOP LIMITEDNotes to the AccountsYear Ended 31 August 2001

## 9 TANGIBLE FIXED ASSETS

	<u>Fixtures &amp; Fittings</u>	<u>Land &amp; Buildings</u>	<u>Total</u>
<u>Cost</u>			
At 1 September 2000	73,437	31,772	105,209
Additions	8,406	883	9,289
At 31 August 2001	81,843	32,655	114,498
<u>Depreciation</u>			
At 1 September 2000	39,134	12,843	51,977
Charge for year	8,542	3,194	11,736
At 31 August 2001	47,676	16,037	63,713
<u>Net Book Value</u>			
At 31 August 2001	34,167	16,618	50,785
At 1 September 2000	34,303	18,929	53,232

	<u>2001</u>	<u>2000</u>
10 LAND AND BUILDINGS	£	£
Short leasehold	16,618	18,929
11 STOCK		
General stock	51,687	61,426
12 DEBTORS		
Trade debtors	50,739	65,944
Prepayments and accrued income	8,658	6,086
Other debtors	28,071	514
	87,468	72,544
13 CREDITORS - amounts falling due within one year		
Bank overdrafts	43,159	35,238
Trade creditors	33,139	28,630
Accrued expenses and deferred income	25,505	34,319
Corporation tax	18,516	18,480
Taxes other than corporation tax	21,073	13,073
Directors' current accounts	30,209	72,558
Obligations under finance leases (secured)	-	3,643
	171,601	205,941

The bank overdraft is guaranteed by the directors of the Company on a joint and several guarantee to a limit of £20,000.

SWAP SHOP LIMITEDNotes to the AccountsYear Ended 31 August 200120012000

£

£

## 14 CREDITORS – amounts falling due after more than one year

Directors' loan accounts	50,000	-
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## 15 CALLED UP SHARE CAPITAL

Authorised 10,000 Ordinary shares of £1 each	10,000	10,000
Allotted, issued and fully paid 100 Ordinary shares of £1 each	100	100

## 16 MOVEMENT OF SHAREHOLDERS' FUNDS

Profit for the year	31,635	19,679
Less dividends	(36,000)	(36,000)
	(4,365)	(16,321)
Opening shareholders' funds	(4,123)	12,198
	(8,488)	(4,123)

## 17 GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the year to 31 August 2001.

	<u>2001</u>	<u>2001</u>	<u>2000</u>	<u>2000</u>
	<u>Land &amp; Buildings</u>	<u>Plant &amp; Other</u>	<u>Land &amp; Buildings</u>	<u>Plant &amp; Other</u>
Expiring:-				
Within one year	-	134	-	1,269
Within two to five years	-	2,254	-	7,945
After five years	45,000	-	45,000	-
	45,000	2,388	45,000	9,214

## 18 COMPARATIVE FIGURES

The comparative figures are in respect of the eighteen month period from 1 March 1999 to 31 August 2000.