

Company Registration Number: 3118973 England and Wales

LONDON SHOPFITTERS LIMITED

ANNUAL REPORT

YEAR ENDED 31 OCTOBER 2003



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LONDON SHOPFITTERS LIMITED
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FOR THE YEAR ENDED 31 OCTOBER 2003

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LONDON SHOPFITTERS LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 OCTOBER 2003

COMPANY INFORMATION

DIRECTOR:	Gurdip Singh Toot
SECRETARY:	Gurprit Singh Toot
REGISTERED OFFICE:	Unit 6 Blackwater Close Fairview Industrial Park Marsh Way Rainham Essex RM13 8UA
COMPANY NUMBER:	03118973 <i>England and Wales</i>
PRINCIPAL BANKERS:	HSBC Bank Plc
AUDITORS:	Vinney Vignes Chartered Certified Accountants Registered Auditors

LONDON SHOPFITTERS LIMITED
REPORT OF THE DIRECTOR

The Director presents his report and the audited accounts of the Company for the year ended 31 October 2003.

PRINCIPAL ACTIVITIES

The principal activities of the Company are supplying and fixing shopfronts.

FINANCIAL RESULTS

The Profit and Loss Account on page 5 shows the results for the year.

DIVIDENDS

The director does not recommend the payment of a dividend for the year ended 31 October 2003.

FIXED ASSETS

Changes in Fixed Assets during the year are shown in Note 7 on page 8.

EVENTS SINCE THE END OF THE YEAR

There have been no significant events since the Balance Sheet date.

DIRECTOR

The name of the Director who held office during the year together with details of his interest in the Company's issued ordinary share capital were:

<u>Name of Director</u>	<u>At 31.10.03</u>	<u>At 31.10.02</u>
Gurdip Singh Toot	1	1

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no political and charitable contributions during the year ended 31 October 2003.

SMALL COMPANY EXEMPTIONS

Advantage has been taken, in the preparation of this report, of special exemptions applicable to small Companies.

Approved by the Board on 27 January 2004.

BY ORDER OF THE BOARD

.....
G S Toot
DIRECTOR

Date: 27 January 2004

LONDON SHOPFITTERS LIMITED

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company Law requires the Director 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 year. In preparing those financial statements, the Director is required to:

- * select suitable accounting policies and then apply them consistently,
- * make judgements and estimates that are reasonable and prudent,
- * state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- * *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.*

The Director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.



.....
G S Toot
DIRECTOR

Date: 27 January 2004

AUDITORS' REPORT TO THE SHAREHOLDERS OF
LONDON SHOPFITTERS LIMITED

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described on page 3, the Company's director is 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.

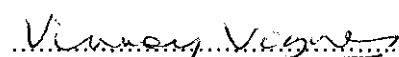
BASIS OF OPINION

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 director 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 31 October 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, as applicable to small companies.


Vinney Vignes
Chartered Certified Accountants
Registered Auditors

93 St. Andrew's Road
Ilford
Essex IG1 3PE

Date: 27 January 2004

LONDON SHOPFITTERS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2003

	<u>Notes</u>	<u>2003</u> £	<u>2002</u> £
<u>TURNOVER</u>	2	1,523,873	1,362,143
Cost of sales		-992,045	-877,110
		-----	-----
<u>GROSS PROFIT</u>		531,828	485,033
Distribution costs		-56,770	-45,941
Administrative expenses		-238,684	-214,433
		-----	-----
<u>OPERATING PROFIT</u>	3	236,374	224,659
Interest receivable and similar income	4	9,505	20,006
Interest payable	5	-1,764	-501
		-----	-----
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		244,115	244,164
Tax on profit on ordinary activities	6	-72,837	-47,338
		-----	-----
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		171,278	196,826
Dividend		0	-152,000
		-----	-----
RETAINED PROFIT FOR THE YEAR		£171,278	£44,826
		-----	-----

The notes on pages 7-9 are an integral part of these accounts.

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the year.

LONDON SHOPFITTERS LIMITED
BALANCE SHEET AS AT 31 OCTOBER 2003

	Notes	£	2003 £	£	2002 £
<u>FIXED ASSETS</u>					
Tangible assets	7		129,524		141,373
<u>CURRENT ASSETS</u>					
Stocks	1	57,345		82,888	
Debtors	8	855,165		485,104	
Cash at bank and in hand	9	150,651		252,254	
		1,063,161		820,246	
<u>CREDITORS: amounts falling due within one year</u>					
Trade creditors		431,107		516,661	
Other creditors	10	208,580		63,238	
		639,687		579,899	
NET CURRENT ASSETS			423,474		240,347
TOTAL ASSETS LESS CURRENT LIABILITIES			552,998		381,720
<u>CREDITORS: amounts falling due after more than one year</u>					
	11		0		0
			£552,998		£381,720
<u>CAPITAL AND RESERVES</u>					
Called up share capital	12		8		8
Profit and loss account	13		552,990		381,712
SHAREHOLDERS' FUNDS	14		£552,998		£381,720

The notes on pages 7-9 are an integral part of these accounts.

Advantage has been taken, in the preparation of the accounts, of special exemptions applicable to small companies on the grounds that in the director's opinion, the Company qualifies as a small company under Sections 246 and 247 of the Companies Act 1985.

The financial statements were approved by the Board of Directors on 27 January 2004.

.....
G S Toot
DIRECTOR

LONDON SHOPFITTERS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2003

1 ACCOUNTING POLICIES

a) CONVENTION

The accounts have been prepared under the historical cost convention and in accordance with the applicable accounting standards.

b) DEPRECIATION AND AMORTIZATION

* Depreciation on Tangible Fixed Assets is provided under Reducing Balance method as follows:

Plant and machinery	15% per annum
Fixtures and fittings	15% per annum
Motor vehicles	25% per annum
Long leasehold land	Nil

* Leasehold premises are amortized @ 10% per annum under Straight Line method.

c) STOCKS

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

2 TURNOVER

	<u>2003</u>	<u>2002</u>
Turnover consists of total sales minus Value Added Tax	£1,523,873	£1,362,143
	-----	-----

3 OPERATING PROFIT

The operating profit is stated after charging:

Depreciation and amortization	25,200	28,573
Hire of Plant and machinery	2,384	1,971
Auditors' remuneration	1,000	1,000
Loss on disposal of fixed assets	1,277	995
	-----	-----
	£29,861	£32,539
	-----	-----

4 INTEREST RECEIVABLE AND SIMILAR INCOME

Bank interest	4,145	7,479
Interest received on early payment of Corporation Tax	169	27
Rent receivable	5,191	12,500
Profit on disposal of fixed assets	0	0
	-----	-----
	£9,505	£20,006
	-----	-----

5 INTEREST PAYABLE

Bank interest and charges	£1,764	£501
	-----	-----

6 TAXATION

The tax liability is based on Corporation tax at 30% on the profit for the year

Under / (Over) provision of Corporation tax in previous year	60,196	47,338
	12,641	0
	-----	-----
	£72,837	£47,338
	-----	-----

LONDON SHOPFITTERS LIMITED
NOTES TO THE ACCOUNTS - 31 OCTOBER 2003

(continued)

7	<u>FIXED ASSETS</u>	<u>Leasehold</u> <u>Land</u>	<u>Leasehold</u> <u>Premises</u>	<u>Plant and</u> <u>Machinery</u>	<u>Fixtures &</u> <u>Fittings</u>	<u>Motor</u> <u>Vehicle</u>	<u>Total</u>
	<u>COST</u>	£	£	£	£	£	£
	Balance at 1.11.02	17,627	1,164	109,507	31,036	99,878	259,212
	Additions	0	1132	7,879	622	5,995	15,628
	Disposals	0	0	0	0	-12,350	-12,350
	Balance at 31.10.03	17,627	2,296	117,386	31,658	93,523	262,490
	<u>DEPRECIATION</u>						
	Balance at 1.11.02	0	812	45,282	14,475	57,270	117,839
	Charge for the year	0	229	10,815	2,577	11,579	25,200
	Disposals	0	0	0	0	-10,073	-10,073
	Balance at 31.10.03	0	1,041	56,097	17,052	58,776	132,966
	<u>NET BOOK VALUE</u>						
	As at 31.10.03	£17,627	£1,255	£61,289	£14,606	£34,747	£129,524
	As at 31.10.02	£17,627	£352	£64,225	£16,561	£42,608	£141,373
8	<u>DEBTORS</u>					<u>2003</u>	<u>2002</u>
	Trade debtors					246,152	152,196
	Other debtors					0	16,525
	Prepayments					9,013	8,383
	Pearlgold Ltd loan account - a related party					600,000	308,000
						£855,165	£485,104
9	<u>CASH AT BANK AND IN HAND</u>						
	Cash in hand					620	502
	Cash at bank					150,031	251,752
						£150,651	£252,254
10	<u>OTHER CREDITORS</u>						
	Inland Revenue - PAYE, NI and Corporation Tax					117,515	49,163
	HM Customs & Excise - VAT					21	0
	Director's loan account					1,250	1,250
	Sundry creditors and accruals					10,050	12,825
	Secured Bank Overdraft					79,744	0
						£208,580	£63,238

The bank overdraft is secured by a debenture. Also an unlimited bilateral company guarantee was given by London Shopfitters Ltd and Pearlgold Ltd to secure all liabilities of each other.

LONDON SHOPFITTERS LIMITED
NOTES TO THE ACCOUNTS - 31 OCTOBER 2003
 (continued)

11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	<u>2003</u>	<u>2002</u>
Loan accounts	0	0
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12 CALLED UP SHARE CAPITAL

Authorised

10,000 ordinary shares of £1 each

£10,000	£10,000
-----	-----

Allotted, called up and fully paid

8 Ordinary shares of £1 each

£8	£8
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13 PROFIT AND LOSS ACCOUNT

Balance at 1 November 2002

381,712	336,886
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Retained profit for the year

171,278	44,826
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Balance at 31 October 2003

£552,990	£381,712
-----	-----

14 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

Shareholders' funds at 1 November 2002

381,720	336,894
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Profit for the year after taxation and dividend

171,278	44,826
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Issue of shares

0	0
-----	-----

Shareholders' funds at 31 October 2003

£552,998	£381,720
-----	-----

15 DIRECTOR

Director's remuneration excluding employer's NIC

£35,080	£15,080
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16 FINANCIAL COMMITMENTS

There were no financial commitments as at 31 October 2003.

17 CONTINGENT LIABILITIES

There were no contingent liabilities as at 31 October 2003.

18 RELATED PARTY TRANSACTION

Pearlgold Ltd is a related party of the reporting company. Pearlgold Ltd is the landlord and the reporting company is a tenant. Annual rental of £45,000 is payable to Pearlgold Ltd. As at 31 October 2003 the reporting company owed the sum of £2,300 on account of rent. Pearlgold Ltd borrowed additional sum of £292,000 from the reporting company which is free of interest and charges and repayable on demand. As at 31 October 2003, the total loan in the sum of £600,000 was outstanding.