

LONDON SHOPFITTERS LIMITED

ANNUAL REPORT

YEAR ENDED 31 OCTOBER 2004



LONDON SHOPFITTERS LIMITED
INDEX TO THE REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2004

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LONDON SHOPFITTERS LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 OCTOBER 2004

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 England and Wales |
| BANKERS: | HSBC Bank Plc |
| ACCOUNTANTS: | London Accountancy Limited International Accountants |

LONDON SHOPFITTERS LIMITED
REPORT OF THE DIRECTOR

The Director presents his report and the accounts of the Company for the year ended 31 October 2004.

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 2004.

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 31.10.04</u> | <u>At 31.10.03</u> |
|-------------------------|--------------------|--------------------|
| Gurdip Singh Toot | 1 | 1 |

POLITICAL AND CHARITABLE CONTRIBUTIONS

The Company made no political and charitable contributions during the year ended 31 October 2004.

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 April 2005

BY ORDER OF THE BOARD


.....
G S Toot
DIRECTOR

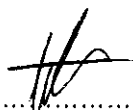
LONDON SHOPFITTERS LIMITED

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 April 2005

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS OF
LONDON SHOPFITTERS LIMITED

We report on the financial statements for the year ended 31 October 2004 set out on pages 5 to 9.

RESPONSIBILITIES OF THE DIRECTOR

As described on page 3, you are responsible for the preparation of financial statements and for maintaining proper accounting records of the company. You have acknowledged on the Balance Sheet on page 6 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act, 1985.

BASIS OF REPORT

Our report is based on your instructions, and the accounting records and the information and explanations supplied to us. The company, in your opinion, is entitled to exemption from an audit as a small company under the Companies Act 1985.

REPORT

In accordance with the instructions given to us and in order to assist you to fulfil your statutory duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us. We have not carried out an audit of these financial statements.

This report is made to the company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's Board of Directors, as a body, for our work or for this report.

London Accountancy Ltd
London Accountancy Limited
International Accountants

41 Highwood Gardens
Ilford Essex IG5 0AZ

27 April 2005

LONDON SHOPFITTERS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2004

| | <u>Notes</u> | <u>2004</u> £ | <u>2003</u> £ |
|---|--------------|------------------|------------------|
| <u>TURNOVER</u> | 2 | 1,516,601 | 1,523,873 |
| Cost of sales | | -1,015,927 | -992,045 |
| | | ----- | ----- |
| <u>GROSS PROFIT</u> | | 500,674 | 531,828 |
| Distribution costs | | -56,472 | -56,770 |
| Administrative expenses | | -298,921 | -238,684 |
| | | ----- | ----- |
| <u>OPERATING PROFIT</u> | 3 | 145,281 | 236,374 |
| Interest receivable and similar income | 4 | 45,878 | 9,505 |
| Interest payable | 5 | -2,438 | -1,764 |
| | | ----- | ----- |
| <u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u> | | 188,721 | 244,115 |
| Tax on profit on ordinary activities | 6 | -43,369 | -72,837 |
| | | ----- | ----- |
| <u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u> | | 145,352 | 171,278 |
| Dividend | | 0 | 0 |
| | | ----- | ----- |
| RETAINED PROFIT FOR THE YEAR | | £145,352 | £171,278 |
| | | ----- | ----- |

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 2004

| | Notes | £ | 2004 £ | £ | 2003 £ |
|---|-------|---------|-----------|-----------|-----------|
| <u>FIXED ASSETS</u> | | | | | |
| Tangible assets | 7 | | 102,365 | | 129,524 |
| <u>CURRENT ASSETS</u> | | | | | |
| Stocks | 1 | 72,900 | | 57,345 | |
| Debtors | 8 | 729,981 | | 855,165 | |
| Cash at bank and in hand | 9 | 118,068 | | 150,651 | |
| | | 920,949 | | 1,063,161 | |
| <u>CREDITORS: amounts falling due within one year</u> | | | | | |
| Trade creditors | | 269,184 | | 431,107 | |
| Other creditors | 10 | 55,780 | | 208,580 | |
| | | 324,964 | | 639,687 | |
| NET CURRENT ASSETS | | | 595,985 | | 423,474 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 698,350 | | 552,998 |
| <u>CREDITORS: amounts falling due after more than one year</u> | | | | | |
| | 11 | | 0 | | 0 |
| | | | £698,350 | | £552,998 |
| <u>CAPITAL AND RESERVES</u> | | | | | |
| Called up share capital | 12 | | 8 | | 8 |
| Profit and loss account | 13 | | 698,342 | | 552,990 |
| SHAREHOLDERS' FUNDS | 14 | | £698,350 | | £552,998 |

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

For the year ended 31.10.2004, the company was entitled to exemption under section 249A(1) of the Companies Act 1985 and no notice has been deposited under Section 249B(2) of the Act in relation to the accounts for the financial year. The director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial period and of its profit and loss for the financial period in accordance with the requirements of section 226 of the Companies Act 1985 and which otherwise comply with the requirements of that Act relating to accounts, so far as applicable to the company.

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 on 27 April 2005.

G S Toot
 Director

LONDON SHOPFITTERS LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2004

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**

Turnover consists of total sales minus Value Added Tax

| 2004 | 2003 |
|-----------|-----------|
| £ | £ |
| 1,516,601 | 1,523,873 |

3 **OPERATING PROFIT**

The operating profit is stated after charging:

| | | |
|----------------------------------|--------|--------|
| Depreciation and amortization | 17,928 | 25,200 |
| Hire of Plant and machinery | 3,016 | 2,384 |
| Loss on disposal of fixed assets | 0 | 1,277 |

4 **INTEREST RECEIVABLE AND SIMILAR INCOME**

| | | |
|---|--------|-------|
| Bank interest | 2,329 | 4,145 |
| Interest received on early payment of Corporation Tax | 0 | 169 |
| Rent receivable | 42,914 | 5,191 |
| Profit on disposal of fixed assets | 635 | 0 |
| | 45,878 | 9,505 |

5 **INTEREST PAYABLE**

| | | |
|---------------------------|-------|-------|
| Bank interest and charges | 2,438 | 1,764 |
|---------------------------|-------|-------|

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

| | |
|--------|--------|
| 43,369 | 60,196 |
| 0 | 12,641 |

| | |
|--------|--------|
| 43,369 | 72,837 |
|--------|--------|

LONDON SHOPFITTERS LIMITED
NOTES TO THE ACCOUNTS - 31 OCTOBER 2004
(continued)

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| 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 1.11.03 | 17,627 | 2,296 | 117,386 | 31,658 | 93,523 | 262,490 |
| | Additions | 0 | 0 | 545 | 39 | 0 | 584 |
| | Disposals | 0 | 0 | 0 | 0 | -33,799 | -33,799 |
| | Balance at 31.10.04 | 17,627 | 2,296 | 117,931 | 31,697 | 59,724 | 229,275 |
| | <u>DEPRECIATION</u> | | | | | | |
| | Balance at 1.11.03 | 0 | 1,041 | 56,097 | 17,052 | 58,776 | 132,966 |
| | Charge for the year | 0 | 229 | 9,275 | 2,197 | 6,227 | 17,928 |
| | Disposals | 0 | 0 | 0 | 0 | -23,984 | -23,984 |
| | Balance at 31.10.04 | 0 | 1,270 | 65,372 | 19,249 | 41,019 | 126,910 |
| | <u>NET BOOK VALUE</u> | | | | | | |
| | As at 31.10.03 | £17,627 | £1,255 | £61,289 | £14,606 | £34,747 | £129,524 |
| | As at 31.10.04 | £17,627 | £352 | £64,225 | £16,561 | £42,608 | £102,365 |
| 8 | <u>DEBTORS</u> | | | | | <u>2004</u> | <u>2003</u> |
| | Trade debtors | | | | | 168,405 | 246,152 |
| | Other debtors | | | | | 14,502 | 0 |
| | Prepayments | | | | | 7,074 | 9,013 |
| | Pearlgold Ltd loan account - a related party | | | | | 540,000 | £600,000 |
| | | | | | | £729,981 | £855,165 |
| 9 | <u>CASH AT BANK AND IN HAND</u> | | | | | | |
| | Cash in hand | | | | | 302 | 620 |
| | Cash at bank | | | | | 117,766 | 150,031 |
| | | | | | | £118,068 | £150,651 |
| 10 | <u>OTHER CREDITORS</u> | | | | | | |
| | Inland Revenue - PAYE, NI and Corporation Tax | | | | | 46,780 | 117,515 |
| | HM Customs & Excise - VAT | | | | | 0 | 21 |
| | Director's loan account | | | | | 1,250 | 1,250 |
| | Sundry creditors and accruals | | | | | 7,750 | 10,050 |
| | Secured Bank Overdraft | | | | | 0 | 79,744 |
| | | | | | | £55,780 | £208,580 |

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 2004
(continued)

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| | | |
|---|-----------|-----------|
| 11 <u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u> | 2004 £ | 2003 £ |
| Loan accounts | 0 | 0 |
| 12 <u>CALLED UP SHARE CAPITAL</u> <u>Authorised</u> | | |
| 10,000 ordinary shares of £1 each | £10,000 | £10,000 |
| <u>Allotted, called up and fully paid</u> 8 Ordinary shares of £1 each | 8 | 8 |
| 13 <u>PROFIT AND LOSS ACCOUNT</u> | | |
| Balance at 1 November 2003 | 552990 | 381,712 |
| Retained profit for the year | 145352 | 171,278 |
| Balance at 31 October 2004 | £698,342 | £552,990 |
| 14 <u>RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS</u> | | |
| Shareholders' funds at 1 November 2003 | 552998 | 381,720 |
| Profit for the year after taxation and dividend | 145352 | 171,278 |
| Issue of shares | 0 | 0 |
| Shareholders' funds at 31 October 2004 | £698,350 | £552,998 |
| 15 <u>DIRECTOR</u> | | |
| Director's remuneration excluding employer's NIC | £35,080 | £35,080 |
| 16 <u>FINANCIAL COMMITMENTS</u> | | |
| There were no financial commitments as at 31 October 2004. | | |
| 17 <u>CONTINGENT LIABILITIES</u> | | |
| There were no contingent liabilities as at 31 October 2004. | | |
| 18 <u>RELATED PARTY TRANSACTION</u> | | |
| <p>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 £65,000 is payable to Pearlgold Ltd. As at 31 October 2004 the reporting company owed the sum of £15,000 on account of rent. Pearlgold Ltd borrowed from the reporting company and the borrowing is free of interest and charges and repayable on demand. As at 31 October 2004, the total loan in the sum of £540,000 was outstanding.</p> | | |