

Registration Number 3728170

**CASHMERE FIBRES INTERNATIONAL LIMITED**

**ABBREVIATED ACCOUNTS**

**FOR THE YEAR ENDED 31 MARCH 2001**



# **CASHMERE FIBRES INTERNATIONAL LIMITED**

## **CONTENTS**

	<b>Page</b>
DIRECTORS' REPORT	<b>1 - 2</b>
AUDITORS' REPORT	<b>3</b>
ABBREVIATED PROFIT AND LOSS ACCOUNT	<b>4</b>
BALANCE SHEET	<b>5</b>
CASH FLOW STATEMENT	<b>6</b>
NOTES TO THE FINANCIAL STATEMENTS	<b>7 - 13</b>

# **CASHMERE FIBRES INTERNATIONAL LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2001**

The directors present their report and the accounts for the year ended 31 March 2001.

### **PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS**

The principal activity of the company is the merchanting of speciality textile fibres.

### **RESULTS AND DIVIDENDS**

The results for the year are set out on page 4.

The directors do not recommend payment of a final dividend.

### **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	31 March 2001	1 April 2000 or date of appointment
David K Mallin	1	1
David M Lee	1	1

### **DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these 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 business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and 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.

**CASHMERE FIBRES INTERNATIONAL LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2001**

**AUDITORS**

Clough & Company LLP were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

This report was approved by the Board on 2<sup>ND</sup> August 2001  
and signed on its behalf by



**David K Mallin  
SECRETARY**

**AUDITORS' REPORT TO CASHMERE FIBRES INTERNATIONAL LIMITED  
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 4 to 13 together with the financial statements of Cashmere Fibres International Limited for the year ended 31 March 2001, prepared under Section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Companies Act 1985 in respect of the year ended 31 March 2001, and the abbreviated accounts on pages 4 to 13 are properly prepared in accordance with that provision.



**Clough & Company LLP**  
**Chartered Accountants and**  
**Registered Auditors**

**54 Little Horton Lane**  
**Bradford**  
**West Yorkshire**  
**BD5 0BS**

**28 August 2001**

**CASHMERE FIBRES INTERNATIONAL LIMITED**

Registration No. 3728170

**ABBREVIATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2001**

		<b>Continuing operations</b>	
		<b>2001</b>	<b>2000</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>GROSS PROFIT</b>		558,888	360,799
Administrative expenses		(495,023)	(276,280)
<b>OPERATING PROFIT</b>	<b>2</b>	63,865	84,519
Interest receivable and similar income	<b>3</b>	9,874	2,143
Interest payable and similar charges	<b>4</b>	(2,434)	(3,763)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		71,305	82,899
Tax on profit on ordinary activities	<b>6</b>	(18,780)	(16,500)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		52,525	66,399
Dividends	<b>7</b>	-	(16,000)
<b>RETAINED PROFIT FOR THE YEAR</b>		52,525	50,399
Retained profit brought forward		50,399	-
<b>RETAINED PROFIT CARRIED</b>		102,924	50,399

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 7 to 13 form an integral part of these financial statements.

# CASHMERE FIBRES INTERNATIONAL LIMITED

Registration No. 3728170  
BALANCE SHEET  
AS AT 31 MARCH 2001

	Notes	2001		2000	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	8		5,941		7,048
<b>CURRENT ASSETS</b>					
Stocks	9	639,291		475,542	
Debtors	10	922,363		1,011,907	
Cash at bank and in hand		439,806		156,888	
		2,001,460		1,644,337	
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	11	(1,618,386)		(1,300,986)	
<b>NET CURRENT ASSETS</b>			383,074		343,351
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			389,015		350,399
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	12		(286,089)		(299,998)
<b>NET ASSETS</b>			102,926		50,401
<b>CAPITAL AND RESERVES</b>					
Called up share capital	13		2		2
Profit and loss account			102,924		50,399
<b>EQUITY SHAREHOLDERS' FUNDS</b>	14		102,926		50,401

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The abbreviated accounts were approved by the Board on 22<sup>ND</sup> AUGUST 2001 and signed on its behalf by



David K Mallin  
DIRECTOR



David M Lee  
DIRECTOR

The notes on pages 7 to 13 form an integral part of these financial statements.

# CASHMERE FIBRES INTERNATIONAL LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2001

	Notes	2001 £	2000 £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		63,865	84,519
Depreciation		2,528	2,053
(Increase) in stocks		(163,749)	(475,542)
Decrease / (increase) in debtors		89,544	(1,011,907)
Increase in creditors		658,793	842,899
<b>Net cash inflow from operating activities</b>		<u>650,981</u>	<u>(557,978)</u>

## CASH FLOW STATEMENT

Net cash inflow / (outflow) from operating activities		650,981	(557,978)
Returns on investments and servicing of finance	17	7,440	(1,620)
Taxation	17	(16,480)	-
Capital expenditure	17	(1,421)	(9,101)
		<u>640,520</u>	<u>(568,699)</u>
Equity dividends paid		(16,000)	-
		<u>624,520</u>	<u>(568,699)</u>
Financing	17	(345,680)	725,553
<b>Increase in cash in the year</b>		<u>278,840</u>	<u>156,854</u>

## Reconciliation of net cash flow to movement in net funds (Note 18)

<b>Increase in cash in the year</b>		278,840	156,854
Cash outflow from increase in debts and lease financing		345,680	(725,551)
Change in net funds resulting from cash flows		624,520	(568,697)
<b>Net debt at 1 April 2000</b>		<u>(568,697)</u>	<u>-</u>
<b>Net funds at 31 March 2001</b>		<u>55,823</u>	<u>(568,697)</u>



# **CASHMERE FIBRES INTERNATIONAL LIMITED**

## **NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001**

### **1. ACCOUNTING POLICIES**

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:-

#### **1.1. ACCOUNTING CONVENTION**

The accounts are prepared under the historical cost convention.

#### **1.2. TURNOVER**

Turnover represents the total invoice value, excluding value added tax, of sales made during the period.

#### **1.3. TANGIBLE FIXED ASSETS AND DEPRECIATION**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Plant and machinery	-	20% reducing balance
Fixtures, fittings and equipment	-	20% reducing balance or 33% of cost

#### **1.4. LEASING**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **1.5. STOCK**

Stock is valued at the lower of cost and net realisable value.

#### **1.6. PENSIONS**

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

#### **1.7. DEFERRED TAXATION**

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

#### **1.8. FOREIGN CURRENCIES**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss Account.

**CASHMERE FIBRES INTERNATIONAL LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2001**

..... continued

<b>2. OPERATING PROFIT</b>	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Operating profit is stated after charging:		
Depreciation of tangible assets	2,528	2,053
Loss on foreign currencies	8,095	-
Operating lease rentals		
- Land and buildings	7,500	1,875
Auditors' remuneration	2,600	2,400
	<u>          </u>	<u>          </u>
and after crediting:		
Profit on foreign currencies	-	4,860
Government grants	1,879	-
	<u>          </u>	<u>          </u>
 <b>3. INTEREST RECEIVABLE AND SIMILAR INCOME</b>	 <b>2001</b>	 <b>2000</b>
	<b>£</b>	<b>£</b>
Bank interest	9,874	2,143
	<u>          </u>	<u>          </u>
 <b>4. INTEREST PAYABLE AND SIMILAR CHARGES</b>	 <b>2001</b>	 <b>2000</b>
	<b>£</b>	<b>£</b>
On bank loans and overdrafts	2,434	3,763
	<u>          </u>	<u>          </u>
 <b>5. EMPLOYEES</b>		
<b>Number of employees</b>		
The average monthly numbers of employees (including the directors) during the year were:		
	<b>2001</b>	<b>2000</b>
Sales and Administration	3	3
	<u>          </u>	<u>          </u>
 <b>Employment costs</b>	 <b>2001</b>	 <b>2000</b>
	<b>£</b>	<b>£</b>
Wages and salaries	216,940	137,933
Social security costs	24,576	15,126
Other pension costs	20,560	-
	<u>          </u>	<u>          </u>
	<u>262,076</u>	<u>153,059</u>

**CASHMERE FIBRES INTERNATIONAL LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2001**

..... continued

**5.1. DIRECTORS' EMOLUMENTS**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Remuneration and other emoluments	194,800	146,431
Pension contributions	20,560	-
	<u>215,360</u>	<u>146,431</u>
	<b>Number</b>	<b>Number</b>
Number of directors to whom retirement benefits are accruing under a money purchase scheme	<u>1</u>	<u>-</u>

**6. TAXATION**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>UK current year taxation</b>		
UK Corporation Tax	18,800	16,500
<b>Prior years</b>		
UK Corporation Tax	(20)	-
	<u>18,780</u>	<u>16,500</u>

**7. DIVIDENDS**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>Dividends on equity shares:</b>		
Ordinary shares - Final proposed	<u>-</u>	<u>16,000</u>

**CASHMERE FIBRES INTERNATIONAL LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2001**

..... continued

**8. TANGIBLE FIXED ASSETS**

	<b>Plant and machinery</b>	<b>Fixtures, fittings equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 April 2000	-	9,101	9,101
Additions	1,000	421	1,421
At 31 March 2001	<u>1,000</u>	<u>9,522</u>	<u>10,522</u>
<b>Depreciation</b>			
At 1 April 2000	-	2,053	2,053
Charge for the year	200	2,328	2,528
At 31 March 2001	<u>200</u>	<u>4,381</u>	<u>4,581</u>
<b>Net book values</b>			
At 31 March 2001	<u>800</u>	<u>5,141</u>	<u>5,941</u>
At 31 March 2000	<u>-</u>	<u>7,048</u>	<u>7,048</u>

**9. STOCKS**

	<b>2001 £</b>	<b>2000 £</b>
Finished goods and goods for resale	<u>639,291</u>	<u>475,542</u>

**10. DEBTORS**

	<b>2001 £</b>	<b>2000 £</b>
Trade debtors	856,272	839,799
Other debtors	65,728	170,508
Prepayments and accrued income	363	1,600
	<u>922,363</u>	<u>1,011,907</u>

**CASHMERE FIBRES INTERNATIONAL LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2001**

..... continued

<b>11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2001 £</b>	<b>2000 £</b>
Bank overdraft	4,112	34
Other loan	93,782	425,553
Payments received on account	323,129	-
Trade creditors	1,034,597	810,288
Corporation tax	18,800	16,500
Other taxes and social security costs	4,793	4,185
Accruals and deferred income	139,173	28,426
Proposed dividend	-	16,000
	<u>1,618,386</u>	<u>1,300,986</u>

The other loan is in respect of a debt factor, and is secured on the company's book debts. The directors have also provided a personal guarantee in respect of the debt factor amounting to £30,000.

<b>12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>2001 £</b>	<b>2000 £</b>
Directors' loans	<u>286,089</u>	<u>299,998</u>

  

<b>13. SHARE CAPITAL</b>	<b>2001 £</b>	<b>2000 £</b>
<b>Authorised equity</b>		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid equity</b>		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

# CASHMERE FIBRES INTERNATIONAL LIMITED

## NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

..... continued

### 14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2001 £	2000 £
Profit for the year	52,525	66,399
Dividends	-	(16,000)
	<u>52,525</u>	<u>50,399</u>
Net proceeds of equity share issue	-	2
	<u>52,525</u>	<u>50,401</u>
Net addition to shareholders' funds	50,401	-
Opening shareholders' funds	<u>102,926</u>	<u>50,401</u>
Closing shareholders' funds	<u>102,926</u>	<u>50,401</u>

### 15. FINANCIAL COMMITMENTS

	Land and Buildings 2001 £	2000 £
<b>Expiry date:</b>		
Within one year	<u>18,461</u>	<u>7,500</u>

### 16. TRANSACTIONS WITH DIRECTORS

Included within creditors, amounts due after more than one year, are sums outstanding in respect of the following directors:

	2001 £	2000 £
David M Lee	142,203	149,999
David K Mallin	<u>143,886</u>	<u>149,999</u>

These loans are unsecured and interest free.

The directors have provided a personal guarantee of £30,000 against the debt factor. See note 11.

**CASHMERE FIBRES INTERNATIONAL LIMITED**

**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2001**

..... continued

**17. GROSS CASH FLOWS**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	9,874	2,143
Interest paid	(2,434)	(3,763)
	<u>7,440</u>	<u>(1,620)</u>
<b>Taxation</b>		
Corporation tax paid	(16,480)	-
	<u></u>	<u></u>
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(1,421)	(9,101)
	<u></u>	<u></u>
<b>Financing</b>		
Issue of ordinary share capital	-	2
Other new long term loans	(13,909)	299,998
Other new short term loans	(331,771)	425,553
	<u>(345,680)</u>	<u>725,553</u>

**18. ANALYSIS OF CHANGES IN NET FUNDS**

	<b>Opening balance</b>	<b>Cash flows</b>	<b>Closing balance</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	156,888	282,918	439,806
Overdrafts	(34)	(4,078)	(4,112)
	<u>156,854</u>	<u>278,840</u>	<u>435,694</u>
Debt due within one year	(425,553)	331,771	(93,782)
Debt due after one year	(299,998)	13,909	(286,089)
	<u>(725,551)</u>	<u>345,680</u>	<u>(379,871)</u>
<b>Net funds</b>	<u>(568,697)</u>	<u>624,520</u>	<u>55,823</u>