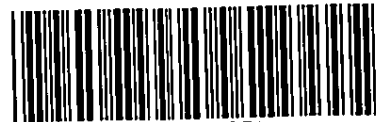


Company Registration No. 05078622 (England and Wales)

**CARLTON TRAVEL GOODS LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2009**

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# CARLTON TRAVEL GOODS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr D Piramal Ms R Piramal Mr S Jatia Mr EPS Menon
<b>Secretary</b>	N Dhingra
<b>Company number</b>	05078622
<b>Registered office</b>	Hollies House 230 High Street Potters Bar Hertfordshire EN6 5BL
<b>Auditors</b>	Sedley Richard Laurence Voulters 1 Conduit Street London W1S 2XA
<b>Business address</b>	Hollies House 230 High Street Potters Bar Hertfordshire EN6 5BL
<b>Bankers</b>	HSBC Bank Plc 196 Oxford Street London W1A 1EZ

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# **CARLTON TRAVEL GOODS LIMITED**

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# **CARLTON TRAVEL GOODS LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 MARCH 2009***

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The directors present their report and financial statements for the year ended 31 March 2009.

### **Principal activities and review of the business**

The principal activity of the company continued to be that of wholesale retail and distribution of travel bags.

During the year the company opened one retail outlet in Essex .

The directors have considered the implications of the Insolvency Act 1986 and regard the Balance Sheet position as temporary only. VIP Industries Limited and the directors of that company have indicated their willingness to financially support the company to enable it to pay its liabilities as and when they fall due. The directors have also ensured adequate funding will be available throughout the year to meet the company's liabilities as they fall due.

The Company's principal financial instruments comprise cash and intercompany balances. Cash and intercompany balances are required for the day to day running of the company

The directors continue to assess the risk facing the Company. Both the securing of new business and maintaining existing relationships are key to the Company's success.

Other ongoing challenges are credit risk and overhead cost control which are kept under regular review by the Directors.

### **Results and dividends**

The results for the year are set out on page 5.

No dividends were recommended during the year.

### **Directors**

The following directors have held office since 1 April 2008:

Mr D Piramal  
Ms R Piramal  
Mr S Jatia  
Mr EPS Menon

### **Creditor payment policy**

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Creditors at the period end mainly represented the balance owing to the parent company VIP Industries Limited. On average, other trade creditors as at 31 March 2009 represented 39 days (2008: 39 days) purchases.

### **Auditors**

In accordance with the company's articles, a resolution proposing that Sedley Richard Laurence Voulters be reappointed as auditors of the company will be put at a General Meeting.

# **CARLTON TRAVEL GOODS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2009**

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### **Statement of directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 period. In preparing those financial statements, the directors are 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 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.

### **Statement of disclosure to auditors**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



Mr D Piramal

Director

11 May 2009

# **CARLTON TRAVEL GOODS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF CARLTON TRAVEL GOODS LIMITED**

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We have audited the financial statements of Carlton Travel Goods Limited for the year ended 31 March 2009 set out on pages 5 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 directors 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.

# **CARLTON TRAVEL GOODS LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE SHAREHOLDERS OF CARLTON TRAVEL GOODS LIMITED**

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#### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

*Sedley Richard Laurence Voulters*

**Sedley Richard Laurence Voulters**

11 May 2009

**Chartered Accountants**

**Registered Auditor**

1 Conduit Street  
London  
W1S 2XA

# CARLTON TRAVEL GOODS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2009

	Notes	2009 £	2008 £
Turnover	2	8,486,354	8,626,253
Cost of sales		(5,910,963)	(6,938,102)
Gross profit		2,575,391	1,688,151
Distribution costs		(427,262)	(459,787)
Administrative expenses		(5,020,331)	(1,047,972)
Operating (loss)/profit	3	(2,872,202)	180,392
Other interest receivable and similar income	4	8,742	2,019
Interest payable and similar charges	5	(125,525)	-
(Loss)/profit on ordinary activities before taxation		(2,988,985)	182,411
Tax on (loss)/profit on ordinary activities	6	-	-
(Loss)/profit for the year	14	(2,988,985)	182,411

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.



# CARLTON TRAVEL GOODS LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2009

	Notes	2009 £	£	2008 £	£
<b>Fixed assets</b>					
Tangible assets	7		315,952		191,221
<b>Current assets</b>					
Stocks	8	1,814,336		2,968,839	
Debtors	9	3,276,550		3,020,448	
Cash at bank and in hand		293,587		158,665	
		<u>5,384,473</u>		<u>6,147,952</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(6,663,247)</u>		<u>(6,650,600)</u>	
<b>Net current liabilities</b>			<u>(1,278,774)</u>		<u>(502,648)</u>
<b>Total assets less current liabilities</b>			<u>(962,822)</u>		<u>(311,427)</u>
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(2,337,590)</u>		<u>-</u>
			<u>(3,300,412)</u>		<u>(311,427)</u>
<b>Capital and reserves</b>					
Called up share capital	13		200,000		200,000
Profit and loss account	14		<u>(3,500,412)</u>		<u>(511,427)</u>
<b>Shareholders' funds</b>	15		<u>(3,300,412)</u>		<u>(311,427)</u>

Approved by the Board and authorised for issue on 11 May 2009

Mr D Piramal  
Director

Company Registration No: 05078622

# CARLTON TRAVEL GOODS LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2009

	£	2009 £	£	2008 £
<b>Net cash (outflow)/inflow from operating activities</b>		(2,003,823)		242,423
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(193,824)		(194,643)	
<b>Net cash outflow for capital expenditure</b>		(193,824)		(194,643)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(2,197,647)		47,780
<b>Financing</b>				
Other new long term loans	2,337,590		-	
<b>Net cash inflow/(outflow) from financing</b>		2,337,590		-
<b>Increase in cash in the year</b>		139,943		47,780

# CARLTON TRAVEL GOODS LIMITED

## NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2009

<b>1</b>	<b>Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	Operating (loss)/profit	(2,872,202)	180,392
	Depreciation of tangible assets	69,093	26,810
	Decrease/(increase) in stocks	1,154,503	(993,488)
	Increase in debtors	(247,360)	(1,305,224)
	(Decrease)/Increase in creditors within one year	(107,857)	2,333,933
	<b>Net cash (outflow)/inflow from operating activities</b>	<b>(2,003,823)</b>	<b>242,423</b>

<b>2</b>	<b>Analysis of net (debt)/funds</b>	<b>1 April 2008</b>	<b>Cash flow</b>	<b>Other non-</b>	<b>31 March 2009</b>
				<b>cash changes</b>	
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Net cash:				
	Cash at bank and in hand	158,665	134,922	-	293,587
	Bank overdrafts	(14,968)	5,021	-	(9,947)
		<u>143,697</u>	<u>139,943</u>	<u>-</u>	<u>283,640</u>
	Debt:				
	Debts falling due after one year	-	(2,337,590)	-	(2,337,590)
	<b>Net funds/(debt)</b>	<u>143,697</u>	<u>(2,197,647)</u>	<u>-</u>	<u>(2,053,950)</u>

<b>3</b>	<b>Reconciliation of net cash flow to movement in net (debt)/funds</b>	<b>2009</b>	<b>2008</b>
		<b>£</b>	<b>£</b>
	Increase in cash in the year	139,943	47,780
	Cash inflow from increase in debt	(2,337,590)	-
	<b>Movement in net (debt)/funds in the year</b>	<b>(2,197,647)</b>	<b>47,780</b>
	Opening net funds	143,697	95,917
	<b>Closing net (debt)/funds</b>	<b>(2,053,950)</b>	<b>143,697</b>

# CARLTON TRAVEL GOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2009**

---

### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

At 31 March 2009, the company disclosed a net deficit on the balance sheet amounting to £3,300,412. Included within trade creditors is £5,199,825 owed to VIP Industries Limited, the ultimate parent company. VIP Industries Limited and the directors of that company have indicated their willingness to financially support the company to enable it to pay its liabilities and as when they fall due.

Thus the accounts have been prepared on a going concern basis which, in the opinion of the directors, is wholly appropriate.

This year the company has adopted the provisions of Financial Reporting Standard No 4, 'Capital Instruments'. Accordingly, the amount of shareholders' funds attributable to equity and non-equity interests has been separately disclosed. In addition, the direct costs incurred in connection with the issue of capital instruments have been deducted from the proceeds of the issue and the finance costs associated with debt and non-equity shares have been allocated to periods at a constant rate based on the carrying amount. However, issue costs in connection with debt instruments issued prior to the beginning of the financial year and previously written off to the share premium account have not been reflected in the carrying value as these were not considered to be material.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

#### **1.3 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Leasehold	Over the period of the lease
Plant and machinery	25% -straight line
Fixtures, fittings & equipment	25% - straight line

#### **1.5 Leasing**

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

#### **1.6 Stock**

Stock is valued at the lower of cost and net realisable value. Cost is mainly average cost and comprises direct costs in bringing the stock to their present location and condition.

#### **1.7 Pensions**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

# CARLTON TRAVEL GOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

### 1 Accounting policies

(continued)

#### 1.8 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

#### 1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the average exchange rate for the year. All differences are taken to profit and loss account.

### 2 Turnover

#### Geographical market

	Turnover	
	2009	2008
	£	£
United Kingdom	2,356,021	1,976,958
Europe	6,989,835	6,961,016
Rest of world	63,830	109,437
	<u>9,409,686</u>	<u>9,047,411</u>

The total turnover of the company has been derived from its principal activity undertaken in the period. Turnover in the accounts has been disclosed net of discounts totalling £923,330 (2008: £421,158). A geographical analysis of turnover before discounts is shown above.

# CARLTON TRAVEL GOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

3	Operating (loss)/profit	2009 £	2008 £
	Operating (loss)/profit is stated after charging:		
	Depreciation of tangible assets	69,093	26,810
	Loss on foreign exchange transactions	1,815,064	-
	Operating lease rentals		
	- Plant and machinery	7,117	7,234
	- Other assets	59,873	59,672
	and after crediting:		
	Profit on foreign exchange transactions	-	(872,217)
<b>Auditors' remuneration</b>			
	Fees payable to the company's auditor for the audit of the company's annual accounts	10,000	10,000
	Professional fee	10,000	10,000
		20,000	20,000
4	Investment income	2009 £	2008 £
	Bank interest	8,742	2,019
		8,742	2,019
5	Interest payable	2009 £	2008 £
	On amounts payable to group companies	125,525	-

# CARLTON TRAVEL GOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

6	Taxation	2009	2008
	Current tax charge	-	-
	<b>Factors affecting the tax charge for the year</b>		
	(Loss)/profit on ordinary activities before taxation	(2,988,985)	182,411
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2008 - 30.00%)	(896,696)	54,723
	Effects of:		
	Non deductible expenses	384	-
	Depreciation add back	20,728	8,043
	Capital allowances	(9,941)	(14,018)
	Tax losses utilised	-	(48,748)
	Unrelieved tax losses	885,525	-
		896,696	(54,723)
	Current tax charge	-	-

There is no tax liability arising in the period .

# CARLTON TRAVEL GOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

### 7 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 April 2008	89,010	109,439	59,286	257,735
Additions	120,777	42,777	30,271	193,825
	<u>209,787</u>	<u>152,216</u>	<u>89,557</u>	<u>451,560</u>
<b>At 31 March 2009</b>				
<b>Depreciation</b>				
At 1 April 2008	1,899	46,773	17,842	66,514
Charge for the year	16,844	31,183	21,067	69,094
	<u>18,743</u>	<u>77,956</u>	<u>38,909</u>	<u>135,608</u>
<b>At 31 March 2009</b>				
<b>Net book value</b>				
At 31 March 2009	191,044	74,260	50,648	315,952
	<u>191,044</u>	<u>74,260</u>	<u>50,648</u>	<u>315,952</u>
At 31 March 2008	87,111	62,666	41,444	191,221
	<u>87,111</u>	<u>62,666</u>	<u>41,444</u>	<u>191,221</u>

### 8 Stocks

	2009 £	2008 £
Finished goods and goods for resale	1,814,336	2,968,839
	<u>1,814,336</u>	<u>2,968,839</u>

### 9 Debtors

	2009 £	2008 £
Trade debtors	3,039,910	2,778,015
Amounts owed by parent and fellow subsidiary undertakings	-	82,001
Other debtors	156,653	70,145
Prepayments and accrued income	79,987	90,287
	<u>3,276,550</u>	<u>3,020,448</u>



# CARLTON TRAVEL GOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2009

<b>10 Creditors: amounts falling due within one year</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	9,947	14,968
Trade creditors	5,832,934	5,983,845
Amounts owed to parent and fellow subsidiary undertakings	136,823	-
Taxes and social security costs	23,760	24,721
Other creditors	12,425	11,679
Accruals and deferred income	647,358	615,387
	<u>6,663,247</u>	<u>6,650,600</u>

Bank overdrafts are secured by fixed and floating charges over the assets of the company.

Included in trade creditors is an amount of £5,199,825(2008:£5,682,281) owed to its parent company, VIP Industries Limited.

<b>11 Creditors: amounts falling due after more than one year</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Other loans	<u>2,337,590</u>	<u>-</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	<u>2,337,590</u>	<u>-</u>
	<u>2,337,590</u>	<u>-</u>
<b>Loan maturity analysis</b>		
In more than two years but not more than five years	<u>2,337,590</u>	<u>-</u>

## **12 Pension and other post-retirement benefit commitments**

### **Defined contribution**

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Contributions payable by the company for the year	<u>13,623</u>	<u>11,746</u>

# CARLTON TRAVEL GOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2009

<b>13 Share capital</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
200,000 Ordinary shares issued of £1 each	<u>200,000</u>	<u>200,000</u>
<b>Allotted, called up and fully paid</b>		
200,000 Ordinary shares issued of £1 each	<u>200,000</u>	<u>200,000</u>
<b>14 Statement of movements on profit and loss account</b>		<b>Profit and loss account</b>
		<b>£</b>
Balance at 1 April 2008		(511,427)
Loss for the year		<u>(2,988,985)</u>
Balance at 31 March 2009		<u><u>(3,500,412)</u></u>
<b>15 Reconciliation of movements in shareholders' funds</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
(Loss)/Profit for the financial year	(2,988,985)	182,411
Opening shareholders' funds	<u>(311,427)</u>	<u>(493,838)</u>
Closing shareholders' funds	<u><u>(3,300,412)</u></u>	<u><u>(311,427)</u></u>
<b>16 Financial commitments</b>		
At 31 March 2009 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2010:		
	<b>Land and buildings</b>	
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
In over five years	<u>399,810</u>	<u>310,000</u>

# CARLTON TRAVEL GOODS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2009

### 17 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

2009 Number	2008 Number
40	30

#### Employment costs

	2009 £	2008 £
Wages and salaries	868,761	686,795
Social security costs	99,050	85,584
Other pension costs	13,623	11,746
	<u>981,434</u>	<u>784,125</u>

### 18 Control

The ultimate parent company is VIP Industries Limited, a company registered in India. Registered office, DGP House, 5th Floor, PO Box 9120, 88C Prabhadevi Road, Mumbai 400-25, India. The published consolidated group accounts are available from this office.

### 19 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.