

Company Registration No 05078622 (England and Wales)

CARLTON TRAVEL GOODS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010

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CARLTON TRAVEL GOODS LIMITED

COMPANY INFORMATION

Directors	Mr D Piramal Ms R Piramal Mr S Jatia Mr N Dhingra (Appointed 27 January 2010)
Secretary	Mr N Dhingra
Company number	05078622
Registered office	Hollies House 230 High Street Potters Bar Hertfordshire EN6 5BL
Auditors	Sedley Richard Laurence Vouters 1 Conduit Street London W1S 2XA
Business address	Hollies House 230 High Street Potters Bar Hertfordshire EN6 5BL
Bankers	HSBC Bank Plc 196 Oxford Street London W1A 1EZ

CARLTON TRAVEL GOODS LIMITED

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CARLTON TRAVEL GOODS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2010

The directors present their report and financial statements for the year ended 31 March 2010

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 discontinued its retail operations in the United Kingdom and Europe

Company commenced online sales within the United Kingdom during the year. In addition, the company entered into an agreement with a major high street departmental store in the United Kingdom who acts as a retail distributor

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 results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

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.

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 2009:

Mr D Piramal

Ms R Piramal

Mr S Jatia

Mr EPS Menon

(Resigned 27 January 2010)

Mr N Dhingra

(Appointed 27 January 2010)

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 year end mainly represented the balance owing to the parent company VIP Industries Limited. On average, other trade creditors as at 31 March 2010 represented 39 days (2009: 39 days) purchases.

CARLTON TRAVEL GOODS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

Financial Instruments

Foreign currency risk

The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling.

Credit risk

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Auditors

The auditors, Sedley Richard Laurence Voulters, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

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

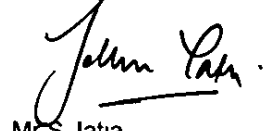
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare 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 2006. 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



Mrs S Jatia

Director

13 April 2010

CARLTON TRAVEL GOODS LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF CARLTON TRAVEL GOODS LIMITED

We have audited the financial statements of Carlton Travel Goods Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 directors and auditors

As described in the Statement of Directors' Responsibilities on page 1, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of Companies Act 2006.

CARLTON TRAVEL GOODS LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF CARLTON TRAVEL GOODS LIMITED

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for the audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



ANOK VERMA

Date: 13th April 2010

Senior Statutory Auditor
on behalf of Sedley Richard Laurence Vouters

1 Conduit Street
London

W1S 2XA

CARLTON TRAVEL GOODS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2010

	Notes	2010 £	2009 £
Turnover	2	5,715,937	8,486,354
Cost of sales		(3,993,477)	(5,910,963)
Gross profit		1,722,460	2,575,391
Distribution costs		(393,097)	(427,262)
Administrative expenses		(1,368,660)	(5,020,331)
Operating loss	3	(39,297)	(2,872,202)
Other interest receivable and similar income	4	48	8,742
Interest payable and similar charges	5	(180,745)	(125,525)
Loss on ordinary activities before taxation		(219,994)	(2,988,985)
Tax on loss on ordinary activities	6	-	-
Loss for the year	14	(219,994)	(2,988,985)

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 2010

	Notes	2010 £	2009 £
Fixed assets			
Tangible assets	7	71,335	315,952
Current assets			
Stocks	8	999,898	1,814,336
Debtors	9	1,891,595	3,276,550
Cash at bank and in hand		295,185	293,587
		<u>3,186,678</u>	<u>5,384,473</u>
Creditors: amounts falling due within one year	10	<u>(4,476,256)</u>	<u>(6,663,247)</u>
Net current liabilities		<u>(1,289,578)</u>	<u>(1,278,774)</u>
Total assets less current liabilities		<u>(1,218,243)</u>	<u>(962,822)</u>
Creditors: amounts falling due after more than one year	11	<u>(2,302,163)</u>	<u>(2,337,590)</u>
		<u>(3,520,406)</u>	<u>(3,300,412)</u>
Capital and reserves			
Called up share capital	13	200,000	200,000
Profit and loss account	14	<u>(3,720,406)</u>	<u>(3,500,412)</u>
Shareholders' funds	15	<u>(3,520,406)</u>	<u>(3,300,412)</u>

Approved by the Board and authorised for issue on 13 April 2010



Mr S Jatta
Director

Co Registration No: 05078622

CARLTON TRAVEL GOODS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

	£	2010 £	£	2009 £
Net cash inflow/(outflow) from operating activities		57,701		(2,003,823)
Returns on investments and servicing of finance				
Interest received	48		-	
Net cash inflow/(outflow) for returns on investments and servicing of finance		48		-
Capital expenditure				
Payments to acquire tangible assets	(10,777)		(193,824)	
Net cash outflow for capital expenditure		(10,777)		(193,824)
Net cash inflow/(outflow) before management of liquid resources and financing		46,972		(2,197,647)
Financing				
Other new long term loans	286,738		2,337,590	
Repayment of other long term loans	(322,165)		-	
Net cash (outflow)/inflow from financing		(35,427)		2,337,590
Increase in cash in the year		11,545		139,943

CARLTON TRAVEL GOODS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2010

1	Reconciliation of operating loss to net cash inflow/(outflow) from operating activities	2010	2009
		£	£
	Operating loss	(39,297)	(2,872,202)
	Depreciation of tangible assets	38,392	69,093
	Decrease in stocks	814,435	1,154,503
	Decrease/(increase) in debtors	1,601,960	(247,360)
	Decrease in creditors within one year	(2,357,789)	(107,857)
	Net cash inflow/(outflow) from operating activities	57,701	(2,003,823)

2	Analysis of net debt	1 April 2009	Cash flow	Other non-cash changes	31 March 2010
		£	£	£	£
	Net cash				
	Cash at bank and in hand	293,587	1,598	-	295,185
	Bank overdrafts	(9,947)	9,947	-	-
		<u>283,640</u>	<u>11,545</u>	<u>-</u>	<u>295,185</u>
	Debt				
	Debts falling due after one year	(2,337,590)	35,427	-	(2,302,163)
	Net debt	(2,053,950)	46,972	-	(2,006,978)

3	Reconciliation of net cash flow to movement in net debt	2010	2009
		£	£
	Increase in cash in the year	11,545	139,943
	Cash outflow/(inflow) from decrease/(increase) in debt	35,427	(2,337,590)
	Movement in net debt in the year	46,972	(2,197,647)
	Opening net (debt)/funds	(2,053,950)	143,697
	Closing net debt	(2,006,978)	(2,053,950)

CARLTON TRAVEL GOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2010

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

At 31 March 2010, the company disclosed a net deficit on the balance sheet amounting to £3,520,405. Included within trade creditors is £3,176,732 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.

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.

1.8 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

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.

CARLTON TRAVEL GOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

2 Turnover

Geographical market

	Turnover	
	2010	2009
	£	£
United Kingdom	2,462,679	2,356,021
Europe	4,242,989	6,989,835
Rest of world	9,971	63,830
	<u>6,715,639</u>	<u>9,409,686</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 £999,703 (2009 £923,330) A geographical analysis of turnover before discounts is shown above

3 Operating loss

	2010	2009
	£	£
Operating loss is stated after charging		
Depreciation of tangible assets	38,392	69,093
Loss on foreign exchange transactions	-	1,815,064
Operating lease rentals		
- Plant and machinery	4,147	7,117
- Other assets	61,272	59,873
and after crediting		
Profit on foreign exchange transactions	<u>(445,167)</u>	<u>-</u>

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts

Professional fee	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
	<u>20,000</u>	<u>20,000</u>

4 Investment income

	2010	2009
	£	£
Bank interest	48	8,742
	<u>48</u>	<u>8,742</u>

CARLTON TRAVEL GOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

5	Interest payable	2010	2009
		£	£
	On amounts payable to group companies	180,745	125,525
		<u> </u>	<u> </u>
6	Taxation	2010	2009
	Current tax charge	-	-
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Loss on ordinary activities before taxation	(219,994)	(2,988,985)
		<u> </u>	<u> </u>
	Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.00% (2009 - 30.00%)	(46,199)	(896,696)
		<u> </u>	<u> </u>
	Effects of		
	Non deductible expenses	-	384
	Depreciation add back	8,062	20,728
	Capital allowances	(6,150)	(9,941)
	Unrelieved tax losses	44,287	885,525
		<u> </u>	<u> </u>
		46,199	896,696
		<u> </u>	<u> </u>
	Current tax charge	-	-
		<u> </u>	<u> </u>

There is no tax liability arising in the year

CARLTON TRAVEL GOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

7 Tangible fixed assets

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 April 2009	209,787	152,218	89,557	451,562
Additions	-	6,760	4,017	10,777
Transfer	(209,787)	-	(52,170)	(261,957)
At 31 March 2010	-	158,978	41,404	200,382
Depreciation				
At 1 April 2009	18,743	77,956	38,909	135,608
On transfer	(27,186)	-	(17,766)	(44,952)
Charge for the year	8,443	15,187	14,761	38,391
At 31 March 2010	-	93,143	35,904	129,047
Net book value				
At 31 March 2010	-	65,835	5,500	71,335
At 31 March 2009	191,044	74,260	50,648	315,952

8	Stocks	2010 £	2009 £
	Finished goods for resale	999,898	1,814,336
9	Debtors	2010 £	2009 £
	Trade debtors	1,607,555	3,039,910
	Other debtors	243,419	156,653
	Prepayments and accrued income	40,621	79,987
		1,891,595	3,276,550

CARLTON TRAVEL GOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

10 Creditors, amounts falling due within one year	2010 £	2009 £
Bank loans and overdrafts	-	9,947
Trade creditors	3,618,528	5,832,934
Amounts owed to parent undertakings	188,998	136,823
Taxes and social security costs	17,455	23,760
Other creditors	4,824	12,425
Accruals and deferred income	646,451	647,358
	<u>4,476,256</u>	<u>6,663,247</u>

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

Included in trade creditors is an amount of £3,176,731 (2009 £5,199,825) owed to its parent company, VIP Industries Limited. In addition, included in accruals is £130,589 in respect of stock in transit from VIP Industries Limited.

11 Creditors, amounts falling due after more than one year	2010 £	2009 £
Other loans	<u>2,302,163</u>	<u>2,337,590</u>
Analysis of loans		
Wholly repayable within five years	<u>2,302,163</u>	<u>2,337,590</u>
	<u>2,302,163</u>	<u>2,337,590</u>
Loan maturity analysis		
In more than two years but not more than five years	<u>2,302,162</u>	<u>2,337,590</u>

12 Pension and other post-retirement benefit commitments

Defined contribution

	2010 £	2009 £
Contributions payable by the company for the year	<u>14,835</u>	<u>13,623</u>

CARLTON TRAVEL GOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

13 Share capital	2010	2009
	£	£
Authorised		
200,000 Ordinary shares issued of £1 each	200,000	200,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
200,000 Ordinary shares issued of £1 each	200,000	200,000
	<u> </u>	<u> </u>
14 Statement of movements on profit and loss account		Profit and loss account
		£
Balance at 1 April 2009		(3,500,412)
Loss for the year		(219,994)
		<u> </u>
Balance at 31 March 2010		(3,720,406)
		<u> </u>
15 Reconciliation of movements in shareholders' funds	2010	2009
	£	£
Loss for the financial year	(219,994)	(2,988,985)
Opening shareholders' funds	(3,300,412)	(311,427)
	<u> </u>	<u> </u>
Closing shareholders' funds	(3,520,406)	(3,300,412)
	<u> </u>	<u> </u>

16 Financial commitments

At 31 March 2010 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2011

	Land and buildings	
	2010	2009
	£	£
Operating leases which expire		
Within one year	40,000	399,810
	<u> </u>	<u> </u>

CARLTON TRAVEL GOODS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2010

17 Directors' emoluments	2010 £	2009 £
Emoluments for qualifying services	14,569	-

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2009 - 0)

18 Employees

Number of employees

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

	2010 Number	2009 Number
Number of staff	22	40

Employment costs	2010 £	2009 £
Wages and salaries	679,672	868,761
Social security costs	75,475	99,050
Other pension costs	14,835	13,623
	769,982	981,434

19 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

20 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