on pages 2 + 5 and 7 to 9

Registrar

LANSCOT TEXTILE MFG LIMITED

ACCOUNTS FOR THE YEAR ENDED 30 NOVEMBER 2000



Shacter Cohen & Bor
Accountants And
Registered Auditor

31 Sackville Street
Manchester
M1 3LZ

Lanscot Textile Mfg Limited

Company Information

Directors	J C Shasha R S Shasha R Maclean
Secretary	J C Shasha
Company Number	2267615
Registered Office	Linden Court House 34 Charlotte Street Manchester M1 4FD
Auditors	Shacter Cohen & Bor 31 Sackville Street Manchester M1 3LZ
Business Address	Unit 2 Woodend Business Centre Cowdenbeath Fife KY4 8HG

Lanscot Textile Mfg Limited

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Lanscot Textile Mfg Limited

Directors' Report
for the year ended 30 November 2000

The directors present their report and the financial statements for the year ended 30 November 2000.

Principal Activity and Review of the Business

The principal activity of the company during the year was that of manufacturers and distributors of textile goods and as a contract hemmer. The company also collected rents and acted as commission agents.

The year has been a satisfactory one and it is anticipated that this performance will be maintained in the forthcoming financial year.

Directors and their Interests

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

	Ordinary shares	
	2000	1999 or date of appointment
J C Shasha	1,000	1,000
R S Shasha	1,000	1,000
R Maclean	2,000	2,000

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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;
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to 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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Shacter Cohen & Bor be reappointed as auditors of the company 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 small companies.

Directors' Report
for the year ended 30 November 2000

This report was approved by the Board on 2 July 2001 and signed on its behalf by

J C Shasha
Secretary

Lanscot Textile Mfg Limited

Auditors' Report to the Shareholders of Lanscot Textile Mfg Limited

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are 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 directors in the preparation of the financial statements, and 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 30 November 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Shacter Cohen & Bor

Accountants and and
Registered Auditor

31 Sackville Street
Manchester
M1 3LZ

2 July 2001

Lanscot Textile Mfg Limited

Profit and Loss Account
for the year ended 30 November 2000

		Continuing operations	
		2000	1999
	Notes	£	£
Turnover	2	1,623,112	1,975,526
Cost of sales		(1,120,620)	(1,426,985)
Gross profit		502,492	548,541
Distribution costs		(37,030)	(33,771)
Administrative expenses		(310,239)	(343,312)
Other operating income		29,989	32,515
Operating profit	3	185,212	203,973
Interest receivable and similar income		38	-
Interest payable and similar charges	4	(82,290)	(81,556)
Profit on ordinary activities before taxation		102,960	122,417
Tax on profit on ordinary activities	6	(27,246)	(33,842)
Profit on ordinary activities after taxation		75,714	88,575
Dividends (partly non-equity)		(30,000)	(30,000)
Retained profit for the year		45,714	58,575
Retained profit brought forward		265,331	206,756
Retained profit carried forward		311,045	265,331

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

The notes on pages 6 to 10 form an integral part of these financial statements.

Lanscot Textile Mfg Limited

Balance Sheet
as at 30 November 2000

	Notes	2000 £	2000 £	1999 £	1999 £
Fixed Assets					
Tangible assets	7		289,302		293,107
Current Assets					
Stocks		940,554		931,029	
Debtors	8	269,552		341,382	
Cash at bank and in hand		5,617		671	
		1,215,723		1,273,082	
Creditors: amounts falling due within one year	9	(1,189,980)		(1,296,858)	
Net Current Assets/(Liabilities)			25,743		(23,776)
Total Assets Less Current Liabilities			315,045		269,331
Capital and Reserves					
Called up share capital	10		4,000		4,000
Profit and loss account			311,045		265,331
Equity Shareholders' Funds	11		315,045		269,331

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies .

The financial statements were approved by the Board on 2 July 2001 and signed on its behalf by

J C Shasha
Director

The notes on pages 6 to 10 form an integral part of these financial statements.

Notes to the Financial Statements for the year ended 30 November 2000

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

1.2. Turnover

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

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:

Leasehold properties	-	Straight Line over the life of the lease
Plant and machinery	-	2% straight line bases
Fixtures, fittings and equipment	-	2% per month straight line
Motor vehicles	-	2% per month straight line

1.4. Stock

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

1.5. 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.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating profit

	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	10,895	12,005
Auditors' remuneration	2,224	2,135

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4. Interest payable and similar charges

	2000 £	1999 £
On bank loans and overdrafts	82,290	81,556

5. Directors' emoluments

	2000 £	1999 £
Remuneration and other benefits	29,808	29,376

6. Taxation

	2000 £	1999 £
UK current year taxation		
UK Corporation Tax	28,626	33,808
Tax credits on franked investment income	-	34
	28,626	33,842
Prior years		
UK Corporation Tax	(1,380)	-
	27,246	33,842

The company has capital losses available to carry forward against future capital profits amounting to £16,000.

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7. Tangible fixed assets

	Land and buildings freehold	Short leasehold property	Plant and machinery	Fixtures, fittings equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 December 1999	256,390	16,249	48,323	15,455	29,092	365,509
Additions	-	-	5,012	2,077	-	7,089
At 30 November 2000	256,390	16,249	53,335	17,532	29,092	372,598
Depreciation						
At 1 December 1999	-	-	41,146	15,455	15,801	72,402
Charge for the year	-	-	4,223	230	6,441	10,894
At 30 November 2000	-	-	45,369	15,685	22,242	83,296
Net book values						
At 30 November 2000	256,390	16,249	7,966	1,847	6,850	289,302
At 30 November 1999	256,390	16,249	7,177	-	13,291	293,107

Included in the purchase consideration of the land and buildings are plant and equipment with an apportioned value of £16249. In view of the nature of the building plant and machinery, the directors do not consider depreciation is necessary due to the considered residual value. Had depreciation been charged, this would have resulted in a charge for the year of £325 (1999 - £325).

8. Debtors

	2000 £	1999 £
Trade debtors	252,040	329,358
Other debtors	1,667	2,136
Prepayments and accrued income	15,845	9,888
	269,552	341,382

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9. Creditors: amounts falling due within one year	2000 £	1999 £
Bank overdraft	8,855	146,942
Bank loan	1,000,000	1,000,000
Trade creditors	54,193	38,760
Corporation tax	28,626	33,814
Other taxes and social security costs	52,844	14,975
Accruals and deferred income	15,462	32,367
Proposed dividend	30,000	30,000
	1,189,980	1,296,858

The bank loans and overdraft are repayable on demand.

10. Share capital	2000 £	1999 £
Authorised equity		
4,000 Ordinary shares of £1 each	4,000	4,000
Allotted, called up and fully paid equity		
4,000 Ordinary shares of £1 each	4,000	4,000

11. Reconciliation of movements in shareholders' funds	2000 £	1999 £
Profit for the year	75,714	88,575
Dividends	(30,000)	(30,000)
	45,714	58,575
Opening shareholders' funds	269,331	210,756
	315,045	269,331

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12. Related party transactions

During the year the company sold and purchased goods to the net value of £924,726 (1999 £1,258,015) from Thomas Frederick . Limited, Zedkay Textiles Limited and Manchester Associated Mills Limited, companies in which two of the directors are materially interested as shareholders. The sales and purchases were made on normal arms length trading bases.