LANSCOT TEXTILE MFG LIMITED

ACCOUNTS FOR THE YEAR ENDED 30 NOVEMBER 2003

2267615

Shacter Cohen & Bor
Accountants And
Registered Auditor

31 Sackville Street
Manchester
M1 3LZ

AA4QQWSS
A51 0677
COMPANIES HOUSE 14/07/04

Shacter, Cohen & Bor is the trading name of SCB (Accountants) Limited.

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

Contents

	Page
Directors' report	1
Auditors' report	2 - 3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 - 10

Lanscot Textile Mfg Limited

Directors' report
for the year ended 30 November 2003

The directors present their report and the financial statements for the year ended 30 November 2003.

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.

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

	Ordinary shares	
	30/11/03	**01/12/02**
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;
- 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.

This report was approved by the Board on 29 June 2004 and signed on its behalf by

J C Shasha
Secretary

Lanscot Textile Mfg Limited

Independent auditors' report to the shareholders of Lanscot Textile Mfg Limited

We have audited the financial statements of Lanscot Textile Mfg Limited for the year ended 30 November 2003 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom 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 of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned 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.

Independent auditors' report to the shareholders of Lanscot Textile Mfg Limited continued

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 2003 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
29 June 2004

31 Sackville Street
Manchester
M1 3LZ

Lanscot Textile Mfg Limited

Profit and loss account
for the year ended 30 November 2003

	Notes	2003 £	2002 £
Turnover	2	1,842,414	1,830,207
Cost of sales		(1,323,942)	(1,316,140)
Gross profit		518,472	514,067
Distribution costs		(51,442)	(41,824)
Administrative expenses		(331,199)	(331,460)
Other operating income		36,199	35,385
Other interest receivable and similar income		86	-
Interest payable and similar charges		(28,999)	(57,539)
Profit on ordinary activities before taxation		143,117	118,629
Tax on profit on ordinary activities	5	(40,187)	(33,294)
Profit on ordinary activities after taxation		102,930	85,335
Dividends		(30,000)	(30,000)
Retained profit for the year		72,930	55,335
Retained profit brought forward		402,416	347,081
Retained profit carried forward		475,346	402,416

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 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Tangible assets	6		291,274		288,320
Current assets					
Stocks		657,584		826,592	
Debtors	7	274,919		325,881	
Cash at bank and in hand		791		1,087	
		933,294		1,153,560	
Creditors: amounts falling due within one year	8	(745,222)		(1,035,464)	
Net current assets			188,072		118,096
Net assets			479,346		406,416
Capital and reserves					
Called up share capital	9		4,000		4,000
Profit and loss account			475,346		402,416
Shareholders' funds			479,346		406,416

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 29 June 2004 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 2003

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

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:

Land and buildings	-	Straight line over fifty years
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.

..... continued

1.5. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off tangible assets	7,130	10,334
Auditors' remuneration	3,044	3,349
and after crediting:		
Profit on disposal of tangible fixed assets	2,700	-

..... continued

4. Directors' emoluments

	2003	2002
	£	£
Remuneration and other benefits	32,268	31,452

5. Tax on profit on ordinary activities

Analysis of charge in period	2003	2002
	£	£
Current tax		
UK corporation tax	40,187	34,323
Adjustments in respect of previous periods	-	(1,029)
	40,187	33,294

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

..... continued

6. Tangible fixed assets	Land and buildings freehold £	Short leasehold property £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost						
At 1 December 2002	256,390	16,249	55,576	17,832	32,194	378,241
Additions	-	-	-	1,085	9,000	10,085
Disposals	-	-	-	-	(15,567)	(15,567)
At 30 November 2003	256,390	16,249	55,576	18,917	25,627	372,759
Depreciation						
At 1 December 2002	-	-	52,570	16,796	20,555	89,921
On disposals	-	-	-	-	(15,567)	(15,567)
Charge for the year	-	-	1,741	679	4,711	7,131
At 30 November 2003	-	-	54,311	17,475	9,699	81,485
Net book values						
At 30 November 2003	256,390	16,249	1,265	1,442	15,928	291,274
At 30 November 2002	256,390	16,249	3,006	1,036	11,639	288,320

Included in the purchase consideration of the land and buildings are plant and machinery 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 (2002 - £325).

7. Debtors	2003 £	2002 £
Trade debtors	264,168	285,068
Other debtors	-	17,688
Prepayments and accrued income	10,751	23,125
	274,919	325,881

..... continued

8. Creditors: amounts falling due within one year	2003 £	2002 £
Bank overdraft	615,275	920,374
Trade creditors	19,908	24,202
Corporation tax	40,168	34,323
Other taxes and social security costs	18,355	4,024
Other creditors	-	70
Accruals and deferred income	21,516	22,471
Proposed dividend	30,000	30,000
	745,222	1,035,464

The bank loans and overdraft are repayable on demand.

9. Share capital	2003 £	2002 £
Authorised		
4,000 Ordinary shares of 1 each	4,000	4,000
Allotted, called up and fully paid		
4,000 Ordinary shares of 1 each	4,000	4,000

10. Related party transactions

During the year the company sold and purchased goods to the net value of £515,263 (2002 - £779,625) from Thomas Frederick & Co. 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.