

164.
LOUIS DAVIS (NOTTINGHAM) LIMITED

ACCOUNTS

FOR THE YEAR ENDED 31st OCTOBER 1981



LOUIS DAVIS (NOTTINGHAM) LIMITED

Directors: Mr. J.S. Mordecai
Mrs. B.S. Mordecai

Notice of meeting to ordinary shareholders.

Notice is hereby given to ordinary shareholders that the adjourned annual general meeting of the company will be held at the registered office on 29th October 1982 at 12 noon for the following purposes:

1. To receive the directors' report and accounts for the financial year ended 31st October 1981 together with the auditors' report.
2. To elect directors.
3. To consider the following resolution of which special notice has been received: "That Messrs. Prior & Palmer are hereby appointed auditors of the company and that the directors are authorised to fix their remuneration".
4. To transact any other ordinary business of the company.

By Order of the Board

J.S. MORDECAI

Any member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him. Such a proxy need not be a member of the company.

LOUIS DAVIS (NOTTINGHAM) LIMITEDREPORT OF THE DIRECTORSPrincipal activity

The company is engaged in the manufacture of lingerie.

Profit and dividends

The profit before taxation for the year ended 31st October 1981 was £303,756 compared with £243,392 for the previous year. The company continued to trade satisfactorily

A dividend of £11,482 is recommended to be paid on the ordinary share capital.

Directors and directors' interests

J.S. Mordecai
B.S. Mordecai

The directors have interests in the company's shares as follows:

	31st October 1981	31st October 1980
Mr. J.S. Mordecai	3,464	3,464
Mrs. B.S. Mordecai	3,466	3,466

In addition, the directors' infant children were interested in a further 870 shares at 31st October 1981 and 1980.

No director had a material interest in any significant contract entered into by the company.

Mr. J.S. Mordecai retires by rotation and offers himself for re-election.

Fixed assets

Details of changes in fixed assets are given in note 6 to the accounts.

Charitable contributions

The company made charitable contributions of £7,353 in the year (1980 : £6,789).

Auditors

Special notice has been received from a member of his intention to propose the following resolution at the forthcoming annual general meeting:

"That Messrs. Prior & Palmer are hereby appointed auditors of the company and that the directors are authorised to fix their remuneration".

By Order of the Board

Dated:

Chairman

AUDITORS' REPORT TO THE MEMBERS OFLOUIS DAVIS (NOTTINGHAM) LTD

We have audited the accounts on pages 4 to 11 in accordance with approved auditing standards.

In our opinion the accounts, which have been prepared on the basis of accounting policies set out on page 7, give a true and fair view of the state of the company's affairs at 31st October 1981 and of its profit and source and application of funds for the year to that date and comply with the Companies Acts 1948 to 1981.

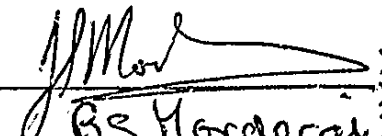
BirminghamChartered Accountants

LOUIS DAVIS (NOTTINGHAM) LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31st OCTOBER 1981

	<u>Notes</u>	<u>1981</u> <u>£</u>	<u>1980</u> <u>£</u>
Turnover	1	1,473,870	1,204,796
Profit before taxation	2	303,756	243,392
Taxation	3	180,729	99,249
Profit after taxation		123,027	144,143
Proposed dividend	9	11,482	6,362
Retained profit		111,545	137,781
Reserves brought forward		426,764	287,805
		538,309	425,586
Net provision for recommended dividends not subsequently declared and therefore no longer required		-	1,178
Reserves carried forward		538,309	426,764

LOUIS DAVIS (NOTTINGHAM) LIMITEDBALANCE SHEETAT 31st OCTOBER 1981

	<u>Notes</u>	<u>1981</u> <u>£</u>	<u>1980</u> <u>£</u>
<u>Capital employed</u>			
Share capital	4	7,800	7,800
Reserves		338,309	426,764
Total capital and reserves		546,109	434,564
Deferred taxation	5	102,852	80,582
		648,961	515,146
<u>To finance</u>			
Fixed assets	6	358,772	363,607
Unlisted investments	7	294,175	-
<u>Current assets</u>			
Stock	8	127,552	154,084
Debtors		67,934	73,944
Short term investments		287,262	254,056
Cash and bank balances		53,774	138,358
		536,522	620,442
<u>Current liabilities</u>			
Creditors		266,478	234,829
Taxation		97,877	93,767
Proposed dividends	9	17,844	45,307
		382,199	373,903
Net current assets		154,323	246,539
Future taxation	10	158,309	95,000
		648,961	515,146


BS Mordecai) DIRECTORS

The accounts were approved by the directors on

LOUIS DAVIS (NOTTINGHAM) LIMITEDSOURCE AND APPLICATION OF FUNDS STATEMENTFOR THE YEAR ENDED 31st OCTOBER 1981

	1981		1980	
	£	£	£	£
<u>Source of funds</u>				
Profit before taxation		303,756		243,392
Adjustments for items not involving the movement of funds:				
Depreciation	23,150		23,409	
(Profit)/loss on sale of fixed assets	(307)		975	
		22,843		24,384
Total generated from operations		326,599		267,776
Funds from other sources:				
Sales of fixed assets	2,639		6,000	
		2,639		6,000
		329,238		273,776
<u>Application of funds</u>				
Dividends paid	38,945		-	
Tax paid	91,040		82,215	
Purchase of fixed assets	20,647		124,074	
Purchase of investments	294,175		-	
		444,807		206,289
		(115,569)		67,487
<u>Increase/(decrease) in working capital</u>				
(Decrease)/increase in stocks		(26,532)		13,989
(Decrease) in debtors		(6,010)		(25,109)
(Decrease)/increase in cash and bank balances		(51,378)		170,905
(Increase) in creditors		(31,649)		(92,298)
		(115,569)		67,487

LOUIS DAVIS (NOTTINGHAM) LIMITEDNOTES ON THE ACCOUNTSFOR THE YEAR ENDED 31st OCTOBER 19811. Accounting policies

The accounts are prepared under the historical cost convention.

(a) Turnover

Turnover represents invoiced sales net of V.A.T.

(b) Depreciation

Depreciation is provided at rates calculated to write off fixed assets over their estimated lives. The rates of depreciation are:

Plant and machinery	15% (on written down value)
Motor vehicles	25% (on written down value)
Fixtures and fittings	10% (on written down value)
Freehold buildings	2½% (on cost)

(c) Stock

Stock is valued at the lower of cost and net realisable value. Cost comprises raw materials, direct labour and production overheads.

(d) Deferred taxation

Full provision is made at 52% for taxation deferred by accelerated capital allowances.

In accordance with the provisions of the Finance Act 1981 the directors consider that no provision is now required for stock appreciation relief.

(e) Investments

Investments held for the long term are stated at cost unless a permanent diminution in value has occurred in which case provisions are made to reduce to net realisable value.

LOUIS DAVIS (NOTTINGHAM) LIMITED

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31st OCTOBER 1981
(continued)2. Profit before taxation

Profit before taxation has been arrived at after charging:

	<u>1981</u> <u>£</u>	<u>1980</u> <u>£</u>
Depreciation		
Auditors' remuneration	23,150	23,409
Directors' remuneration	2,500	2,500
Bad debts written off	154,680	104,890
	50,000	-
and after crediting:		
Bank interest and investment income	<u>47,951</u>	<u>27,192</u>

Details of directors' emoluments (excluding pension contributions) are as follows:

	<u>1981</u> <u>£</u>	<u>1980</u> <u>£</u>
Chairman	55,000	35,000
Highest paid director	<u>55,000</u>	<u>37,500</u>

3. Taxation

The charge for taxation comprises:

	<u>1981</u> <u>£</u>	<u>1980</u> <u>£</u>
Corporation tax at 52% based on the taxable profits for the year	175,000	95,000
Adjustment re. prior years	(4,771)	(6,251)
Provision for deferred taxation on timing differences	170,229	88,749
Less: Release of deferred taxation on stock appreciation relief	10,500	37,000
	-	(26,500)
	<u>180,729</u>	<u>99,249</u>

The company is a close company within the terms of Section 282 of the Income and Corporation Taxes Act 1970.

LOUIS DAVIS (NOTTINGHAM) LIMITED

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31st OCTOBER 1981
(continued)

4. Share capital

	1981		1980	
	Authorised £	Issued and fully paid £	Authorised £	Issued and fully paid £
Ordinary shares of £1 each	20,000	7,800	20,000	7,800

5. Deferred tax

Deferred taxation comprises:

	1981	1980
	Provision made £	Provision made £
Accelerated capital allowances provided in full under the liability method	110,500	100,000
Less: Advance corporation tax recoverable	(7,648)	(19,418)
	102,852	80,582

In accordance with the provisions of the Finance Act 1981 the directors are of the opinion that no provision for deferred taxation on stock appreciation relief is required.

6. Fixed assets

	Total £	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £
<u>At cost</u>					
1st November 1980	421,683	283,106	81,266	29,527	27,784
Additions	20,647	1,309	10,937	2,306	6,095
	442,330	284,415	92,203	31,833	33,879
Less: Disposals	5,730	-	-	-	5,730
31st October 1981	436,600	284,415	92,203	31,833	28,149
Depreciable amount at 31st October 1981	398,841	246,656	92,203	31,833	28,149

LOUIS DAVIS (NOTTINGHAM) LIMITEDNOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31st OCTOBER 1981
(continued)

6. Fixed assets (continued)

	<u>Total</u>	<u>Freehold</u>	<u>Plant and</u>	<u>Fixtures</u>	<u>Motor</u>
	<u>£</u>	<u>land and</u>	<u>machinery</u>	<u>and</u>	<u>vehicles</u>
<u>Depreciation</u>		<u>buildings</u>	<u>£</u>	<u>fittings</u>	<u>£</u>
1st November 1980	58,215	10,844	31,467	5,593	10,311
Less: Disposals	3,537	-	-	-	3,537
	54,678	10,844	31,467	5,593	6,774
Charge for the year	23,150	6,166	9,016	2,624	5,344
31st October 1981	77,828	17,010	40,483	8,217	12,118
<u>Net book value</u>					
31st October 1981	358,772	267,405	51,720	23,616	16,031
31st October 1980	363,607	272,401	49,799	23,934	17,473

7. Unlisted investments

The unlisted investment represents a 10% holding in the ordinary share capital of the Jerusalem Tower Hotel Company Limited, an unlisted company incorporated and operating in Israel. The holding was acquired on 14th October 1981. Since that date no dividends have been approved or paid and the proportion of aggregate profits attributable to this company is negligible. In the opinion of the directors the value of this investment at 31st October 1981 equates to its cost.

8. Stock

Stock is made up as follows:

	<u>1981</u>	<u>1980</u>
	<u>£</u>	<u>£</u>
Raw material	52,815	82,074
Work in progress	24,333	33,987
Finished goods	50,404	38,023
	127,552	154,084

LOUIS DAVIS (NOTTINGHAM) LIMITEDNOTES ON THE ACCOUNTSFOR THE YEAR ENDED 31st OCTOBER 1981
(continued)9. Dividends

	<u>1981</u>	<u>1980</u>
	<u>£</u>	<u>£</u>
(a) Dividend proposed for the year ended 31st October 1981	11,482	6,362
(b) Approved for the year ended 31st October 1978	-	3,078
Approved for the year ended 31st October 1979	-	35,867
Proposed for the year ended 31st October 1980	6,362	6,362
Proposed for the year ended 31st October 1981	11,482	-
	<u>17,844</u>	<u>45,307</u>

10. Future taxation

	<u>1981</u>	<u>1980</u>
	<u>£</u>	<u>£</u>
Corporation tax payable 1st January 1983	158,309	95,000

11. Future capital expenditure

	<u>1981</u>	<u>1980</u>
	<u>£</u>	<u>£</u>
Contracts placed at date of the balance sheet in respect of future capital expenditure but not provided for in these accounts, amounted to approximately	NIL	NIL
Further amounts authorised by the directors but not contracted for amounted to approximately	NIL	NIL

12. Directors' loans

During the year the company made advances totalling £50,000, interest free, to Mr. J.S. Mordecai. This amount was repaid in full during the year.