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LOUIS DAVIS (NOTTINGHAM) LTD

REPORT & ACCOUNTS
YEAR ENDED 31 OCTOBER 1982

DIRECTORS
JS MORDECAI
BS MORDECAI

SECRETARY
RW LOMAS

REGISTERED OFFICE
20-21 BLOOMSGROVE ROAD
RADFORD
NOTTINGHAM
NG7 3JG

BANKERS
MIDLAND BANK PLC
6 VICTORIA STREET
NOTTINGHAM
NG1 2FF

AUDITORS
PRIOR & PALMER
CHARTERED ACCOUNTANTS
56 HIGH PAVEMENT
NOTTINGHAM
NG1 1HX



WORTH LIMITED (NOTTINGHAM) LTD

DIRECTORS' REPORT

The directors submit their report and the audited financial statements for the year ended 31 October 1982 which show the state of the company's affairs.

PRINCIPAL ACTIVITY

The company is engaged in the manufacture of lingerie.

PROFIT & DIVIDENDS

The profit before taxation for the year ended 31 October 1982 was £328,949 compared with £303,756 for the previous year. The company continued to trade satisfactorily.

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors during the year together with their interests in the shares of the company at the beginning and end of the year were as follows :

	31 October 1982	31 October 1981
JS Mordecai	3,464	3,464
BS Mordecai	3,466	3,466

In addition the directors' infant children were interested in a further 870 shares at 31 October 1982 and 1981.

Mrs BS Mordecai retires by rotation and, being eligible, offers herself for re-election.

CLOSE COMPANY

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

INVESTMENT PROPERTY

During the year the company purchased the Freehold interest in the Garton Hall Industrial Estate, Great Yarmouth for the sum of £321,739 and this is being held as an Investment Property.

FIXED ASSETS

Full details of changes in Fixed Assets are shown in note 2 to the accounts.

CHARITABLE CONTRIBUTIONS

The company made charitable contributions of £16,919 during the year (1981 - £7,353).

AUDITORS

Prior & Palmer, Chartered Accountants of 56 High Pavement, Nottingham who were appointed auditors at the last annual general meeting in succession to Peat, Marwick, Mitchell & Co have indicated their willingness to remain in office and a resolution to reappoint them will be proposed at the annual general meeting.

By order of the Board,

JS MORDECAI

Chairman

22 July 1983
NOTTINGHAM

AUDITORS' REPORT TO THE MEMBERS OF
LOUIS DAVIS (NOTTINGHAM) LTD

We have audited the financial statements
on pages 3 to 9 in accordance with
approved Auditing Standards.

In our opinion the financial statements,
which have been prepared under the
historical cost convention, give a true
and fair view of the state of the
company's affairs at 31 October 1982 and
of its profit and source and application
of funds for the year then ended and
comply with the Companies Acts 1948 to
1981.

PRIOR & PALMER

Chartered Accountants

22 July 1983
NOTTINGHAM

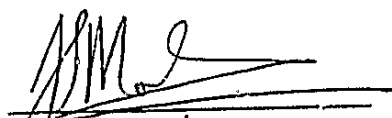
LOUIS DAVIS (NOTTINGHAM) LTD

BALANCE SHEET AS AT 31 OCTOBER 1982

	Notes	£	1982 £	£	1981 £
FIXED ASSETS	2		343,255		358,772
INVESTMENTS	3		615,914		294,175
CURRENT ASSETS					
Stock & work in progress	4	192,648		127,552	
Debtors & prepayments		26,494		67,934	
Short term investments		221,524		287,262	
Cash & bank balances		<u>234,675</u>		<u>53,774</u>	
		675,341		<u>536,522</u>	
CURRENT LIABILITIES					
Creditors & accruals		473,471		249,227	
Directors current account		8,416		17,251	
Proposed dividends	5	11,482		17,844	
Taxation	6	<u>163,230</u>		<u>97,877</u>	
		656,599		<u>382,199</u>	
NET CURRENT ASSETS			<u>18,742</u>		<u>154,323</u>
			977,911		807,270
FUTURE TAXATION	6		<u>23,558</u>		<u>158,309</u>
			954,353		<u>648,961</u>
SHARE CAPITAL	7		7,800		7,800
RESERVES			<u>698,186</u>		<u>538,309</u>
SHAREHOLDERS FUNDS			705,986		546,109
DEFERRED TAXATION	8		<u>248,367</u>		<u>102,852</u>
			<u>954,353</u>		<u>648,961</u>

DIRECTORS

JS MORDECAI
BS MORDECAI


BS Mordecai

LOUIS DAVIS (NOTTINGHAM) LTD

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 1982

	Notes	f	1982	f	1981	f
TURNOVER	1		<u>1,508,079</u>		<u>1,473,870</u>	
NET PROFIT BEFORE TAXATION			328,949		303,756	
AFTER CHARGING :						
Depreciation	2	37,856		23,150		
Auditors' remuneration		1,500		2,500		
Directors' remuneration	9	248,000		153,420		
Bad debts		-		50,000		
			<u></u>	<u></u>		
AND AFTER CREDITING :						
Bank interest & investment income		66,636		47,951		
Rental income		142		-		
Dividend from unlisted investment		9,009		-		
			<u></u>	<u></u>		
TAXATION	6		<u>169,072</u>		<u>180,729</u>	
PROFIT AFTER TAXATION			159,877		123,027	
PROPOSED DIVIDEND	5		<u>-</u>		<u>11,482</u>	
RETAINED PROFIT			159,877		111,545	
RETAINED PROFITS BROUGHT FORWARD			<u>538,309</u>		<u>426,764</u>	
RETAINED PROFITS CARRIED FORWARD			<u>698,186</u>		<u>538,309</u>	

1 ACCOUNTING POLICIES

a) Turnover

Turnover represents invoiced sales net of Value Added Tax.

b) Depreciation

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

Freehold buildings	2½% (on cost)
Plant & machinery	15% (on cost)
Fixtures & fittings	10% (on cost)
Motor vehicles	25% (on net book value)

With effect from 1 November 1981 the basis on which depreciation has been charged on plant & machinery & fixtures & fittings was changed from a net book value basis to a cost basis. The effect of this change has been to increase the depreciation charge for the year by £13,844.

c) Investment property

The purchase of the investment property was completed on 29 October 1982 and the cost is taken to be equal to the market value at the year end. The investment property will be revalued at 31 October 1983 and annually thereafter. Depreciation will not be provided on the cost of the property.

d) Stock

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

e) 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 required for stock appreciation relief.

f) 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.

g) Conversion of foreign currencies

Revenue and assets stated in foreign currencies have been converted into sterling at the middle market price at 31 October 1982.

LOUIS DAVIS (NOTTINGHAM) LTD

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1982 (CONTINUED).....

2 FIXED ASSETS

	Total	Freehold land & buildings	Plant & machinery	Fixtures & fittings	Motor vehicles
	£	£	£	£	£
COST					
At 1 November 1981	436,600	284,415	92,203	31,833	28,149
Additions	22,339	-	15,104	2,365	4,870
At 31 October 1982	458,939	284,415	107,307	34,198	33,019
DEPRECIATION					
At 1 November 1981	77,828	17,010	40,483	8,217	12,118
Charge for the year	37,856	6,166	21,887	4,579	5,224
At 31 October 1982	115,684	23,176	62,370	12,796	17,342
NET BOOK VALUE					
At 31 October 1982	343,255	261,239	44,937	21,402	15,577
At 31 October 1981	358,772	267,405	51,720	23,616	16,031

3 INVESTMENTS

	1982 £	1981 £
Investment in Jerusalem Tower Hotel Company Limited	294,175	294,175
Investment Property - Gapton Hall Industrial Estate, Great Yarmouth	321,739	-
	615,914	294,175

The investment in the Jerusalem Tower Hotel Company Limited represents a 10% holding in the ordinary share capital of the company which is unlisted and is incorporated and operates in Israel. Dividends of £9,009 have been received during the year. In the opinion of the directors the value of this investment at 31 October 1982 is not less than its cost.

4 STOCK & WORK IN PROGRESS

	1982 £	1981 £
This is made up as follows :		
Raw materials	83,249	52,815
Work in progress	69,498	24,333
Finished goods	39,901	50,404
	192,648	127,552

LOUIS DAVIS (NOTTINGHAM) LTD

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1982 (CONTINUED).....

5 DIVIDENDS	1982 £	1981 £
a) Dividends proposed for the year ended 31 October 1982	-	<u>11,482</u>
b) Approved for the year ended 31 October 1980 Approved for the year ended 31 October 1981	<u>-</u> <u>11,482</u> <u>11,482</u>	<u>6,362</u> <u>11,482</u> <u>17,844</u>
6 TAXATION		
a) Profit & loss account The charge for taxation comprises : Corporation tax at 40% (1981 - 52%) based on the taxable profits for the year Prior years adjustment	<u>26,284</u> <u>-</u>	<u>175,000</u> <u>(4,771)</u>
Deferred taxation	<u>26,284</u> <u>142,788</u> <u>169,072</u>	<u>170,229</u> <u>10,500</u> <u>180,729</u>
b) Balance sheet Corporation tax payable 1 January 1983	<u>163,230</u>	<u>97,877</u>
c) Future taxation Corporation tax payable 1 January 1984	<u>23,558</u>	<u>158,309</u>
7 SHARE CAPITAL		
	1982 and Authorised £	1981 Issued & fully paid £
Ordinary shares of £1 each	<u>20,000</u>	<u>7,800</u>

LOUIS DAVIS (NOTTINGHAM) LTD

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 1982 (CONTINUED).....

	1982 £	1981 £
8 DEFERRED TAXATION		
Deferred taxation comprises :		
Accelerated capital allowances provided in full under the liability method	253,288	110,500
	<u>(4,921)</u>	<u>(7,648)</u>
Less : Advance corporation tax recoverable	<u>248,367</u>	<u>102,852</u>

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.

9 DIRECTORS REMUNERATION

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

Chairman and highest paid director	<u>156,000</u>	<u>55,000</u>
The remuneration of the directors fell within the following bands :	Number of directors 1982	1981
£35,001 - £40,000	1	1
£50,001 - £55,000	-	1
£155,001- £160,000	<u>1</u>	<u>--</u>

10 CAPITAL COMMITMENTS

At 31 October 1982 & 31 October 1981 there were no outstanding capital commitments not provided in the accounts either in respect of contracts placed or amounts authorised by the directors but not contracted for.

LOUIS DAVIS (NOTTINGHAM) LTD

SOURCE & APPLICATION OF FUNDS STATEMENT FOR THE YEAR ENDED 31 OCTOBER 1982

	1982		1981	
	£	£	£	£
SOURCE OF FUNDS				
Net profit before taxation		328,949		303,756
Adjustment for item not involving the movement of funds :				
Depreciation	37,856		23,150	
Profit on sale of fixed assets	<u> </u>	<u>37,856</u>	<u>(307)</u>	<u>22,843</u>
Total generated from operations		366,805		326,599
Funds from other sources :				
Sales of fixed assets		<u> </u>		<u>2,639</u>
		366,805		329,238
APPLICATION OF FUNDS				
Dividends paid	6,362		38,945	
Taxation paid	92,955		91,040	
Purchase of fixed assets	22,339		20,647	
Purchase of investments	<u>321,739</u>	<u>443,395</u>	<u>294,175</u>	<u>444,807</u>
		(76,590)		(115,569)
Increase/(decrease) in working capital				
Increase/(decrease) in stocks	65,096		(26,532)	
(Decrease) in debtors	(41,440)		(6,010)	
Increase in creditors	<u>(215,409)</u>	<u>(191,753)</u>	<u>(31,649)</u>	<u>(64,191)</u>
INCREASE/(DECREASE) IN NET LIQUID FUNDS		<u>115,163</u>		<u>(51,378)</u>
REPRESENTED AS FOLLOWS :				
Short term investments		(65,738)		33,206
Cash & bank balances		<u>180,901</u>		<u>(84,584)</u>
		<u>115,163</u>		<u>(51,378)</u>