

S & M HOSIERY CO LIMITED

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MODIFIED BALANCE SHEET AS AT 28 FEBRUARY 1987

1028708.

	Notes	£	1987	£	1986	£
FIXED ASSETS						
Tangible assets				148,619		144,894
CURRENT ASSETS						
Stocks			112,134		118,678	
Debtors			11,670		12,049	
Cash at bank and in hand			43,706		24,884	
			-----		-----	
			167,510		155,611	
			=====		=====	
CREDITORS - Amounts falling due within one year						
Creditors			111,908		107,269	
			=====		=====	
NET CURRENT ASSETS				55,602		48,342
				-----		-----
TOTAL ASSETS LESS CURRENT LIABILITIES				204,221		193,236
				-----		-----
CREDITORS - Amounts falling due after more than one year -				-		1,567
				-----		-----
				204,221		191,669
				=====		=====
CAPITAL AND RESERVES						
Share capital						
Revenue reserve	2		50,000		50,000	
Capital reserve			117,204		104,652	
			37,017		37,017	
			-----		-----	
			204,221		191,669	
			=====		=====	

The directors have relied on the exemptions for individual accounts contained in Section 247 of, and Schedule 8 to, the Companies Act 1985 on the grounds that the company is entitled to the benefit of these exemptions as a small company.

✓ Manjit ✓
 ✓ Madhu ✓

DIRECTORS



NOTES TO THE MODIFIED ACCOUNTS

1. ACCOUNTING POLICIES

The following principal accounting policies have been applied consistently in respect of items which are considered material in relation to the company's accounts.

Accounting Convention

The accounts are prepared under the historical cost convention.

Turnover

Turnover represents amounts receivable (excluding Value Added Tax) in respect of goods supplied during the year.

Depreciation

Depreciation is provided so as to write off the cost of fixed assets over their anticipated useful lives as follows -

Long leasehold property	1% straight line
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value.

Repairs

Expenditure is written off in the year in which it is incurred.

Deferred Taxation

Provision is made at the current rates of taxation for liabilities arising from the allocation of items to different periods for taxation and for accounting purposes, except where these are expected to be deferred for the foreseeable future.

Tax losses and advance corporation tax are deducted from the provision for deferred taxation.

2. SHARE CAPITAL

	1987 £	1986 £
Authorised - 50,000 shares of £1 each	50,000	50,000
	=====	=====
Called-up and fully paid - 50,000 ordinary shares of £1 each	50,000	50,000
	=====	=====

Full financial statements for shareholders for the year ended 28 February 1987 were approved by the board of directors on 21 January 1988. The directors have prepared the attached financial statements for the year ended 28 February 1987 in compliance with Sections 247 to 249 of, and Schedule 8 to, the Companies Act 1985.

AUDITORS REPORT TO THE DIRECTORS OF S & M HOSIERY CO LIMITED

In our opinion, the company satisfies the requirements of Section 8(1)(10) to, the Companies Act 1985 for exemption as a small company in respect of the year ended 28 February 1987 and, in particular, the modified financial statements have been properly prepared in accordance with Section 247 of, and Schedule 8 to, that Act.

We reported, as auditors of S & M Hosiery Co Limited to the members on 21 January 1988 on the company's financial statements prepared under Section 227 of the Companies Act 1985 for the year ended 28 February 1987 and our audit opinion was as follows.

We have audited the financial statements set out on pages 3 to 9 in accordance with approved auditing standards, having regard to the matters referred to in the following paragraph.

In common with many businesses of similar size and organisation, the company's system of control is dependent upon the close involvement of the directors. Where independent confirmation of the completeness of the accounting records was therefore not available, we have accepted assurances from the directors that all the company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion, the financial statements, which have been prepared under the historical cost convention, show a true and fair view of the state of the company's affairs at 28 February 1987 and of its profit and source and application of funds for the year then ended and comply with the Companies Act 1985.



LOPIAN GROSS BARNETT & CO
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21 JANUARY 1988