

RAJANI (WHOLESALE) LIMITED
DIRECTORS REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000



COMPANY NO. 01625621 (ENGLAND & WALES)

RAJANI (WHOLESALE) LIMITED
DIRECTORS REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2000

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RAJANI (WHOLESALE) LIMITED
DIRECTORS REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

COMPANY INFORMATION

DIRECTOR

R V Rajani

G Rajani

SECRETARY

G Rajani

COMPANY NUMBER

01625621 (England & Wales)

REGISTERED OFFICE

Maggs Lane
Fishponds Trading Estate
Bristol
BS57EW

AUDITORS

John Bradley & Co
Registered Auditors &
Chartered Accountants
39 Westbury Road
Westbury-On-Trym
Bristol BS9 3AU

**DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2000**

The directors present their report and the financial statements for the year ended 31 December 2000

STATEMENT OF 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 affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then 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.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The company's principal activity continues to be that of suppliers of household, electrical and fancy goods. The results for the year are set out on Page 3

DIRECTORS

The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:

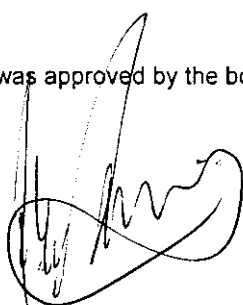
	Number of Shares	
	2000	1999
R V Rajani	50	50
G Rajani	50	50

AUDITORS

The auditors, John Bradley & Co will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report was approved by the board on 31 August 2001 and signed on its behalf

R V Rajani
Director



AUDITORS REPORT TO THE SHAREHOLDERS OF RAJANI (WHOLESALE) LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

We have audited the financial statements on pages 3 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6 .

RESPECTIVE RESPONSIBILITIES OF DIRECTORS & 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 of 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 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 .

J Bradley & Co

John Bradley & Co
Registered Auditors
& Chartered Accountants
39 Westbury Road
Westbury on Trym
Bristol
BS9 3AU

31 August 2001

RAJANI (WHOLESALE) LIMITED

**PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED
31 DECEMBER 2000**

	Notes	2000 £	1999 £
TURNOVER	1,2	4,014,526	4,845,047
Cost of Sales		(2,680,085)	(2,980,068)
GROSS PROFIT		1,334,441	1,864,979
Selling & Distribution costs		(52,842)	(31,487)
Administrative expenses		(877,232)	(867,923)
OPERATING PROFIT/(LOSS)	3	404,367	965,569
Rents received		183,666	181,759
Exceptional items	19	(10,425)	2,593
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST		577,608	1,149,921
Interest receivable		27,777	3,047
Interest payable	6	476	(10,040)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		605,861	1,142,928
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	7	(179,044)	(366,382)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		426,817	776,546
Dividends on equity shares	8	(100,240)	(77,690)
RETAINED PROFIT/(LOSS) FOR THE YEAR		326,577	698,856
RETAINED PROFIT/(LOSS) BROUGHT FORWARD		2,694,877	1,996,020
RETAINED PROFIT/(LOSS) CARRIED FORWARD		3,021,454	2,694,876

There were no recognised gains or losses for 2000 or 1999 other than those included in the profit and loss account.

The notes on pages 5 to 10 form part of these financial statements

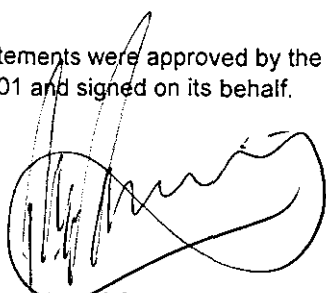
RAJANI (WHOLESALE) LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible assets	9	2,518,394	2,653,685
CURRENT ASSETS			
Stocks		361,813	403,000
Debtors	10	124,629	159,527
Cash at bank & in hand		941,695	481,599
		1,428,137	1,044,126
CREDITORS : amounts falling due within one year	11	(848,214)	(920,128)
NET CURRENT ASSETS (LIABILITIES)		579,923	123,998
TOTAL ASSETS LESS CURRENT LIABILITIES		3,098,317	2,777,683
CREDITORS : amounts falling due after more than one year	12	(15,019)	(17,200)
PROVISIONS FOR LIABILITIES & CHARGES			
Deferred tax	13	(61,744)	(65,507)
NET ASSETS		3,021,554	2,694,976
CAPITAL & RESERVES			
Called up share capital	14	100	100
Profit & loss account		3,021,454	2,694,876
SHAREHOLDERS' FUNDS	18	3,021,554	2,694,976
Consisting entirely of equity interests			

The financial statements were approved by the board of directors
on 31 August 2001 and signed on its behalf.

R V Rajani
Director



The notes on pages 5 to 10 form part of these financial statements

RAJANI (WHOLESALE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000**

CASH FLOW STATEMENT	2000	1999
SOURCES	£	£
NET OPERATING CASH FLOW		
OPERATING PROFIT	404,367	965,569
DEPRECIATION	110,836	115,383
NET (INCREASE)/REDUCTION IN STOCK	41,187	(106,478)
NET (INCREASE)/REDUCTION IN DEBTORS	34,898	(52,151)
NET INCREASE/(REDUCTION) IN CREDITORS	99,931	(213,423)
NET OPERATING CASH FLOW	691,219	708,900
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Rents received:	183,666	181,759
Interest paid less received:	28,253	(6,993)
	211,919	174,766
CASH FLOW FROM INCOME ACTIVITIES	903,138	883,666
CORPORATION TAX PAID	(354,652)	(138,700)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	14,029	(136,575)
EQUITY DIVIDENDS PAID	(100,240)	(77,690)
MANAGEMENT OF LIQUID RESOURCES		
LOANS RAISED LESS REPAID	(2,181)	-
CHANGE IN CASH RESOURCES	460,094	530,701
CASH AND OVERDRAFT BALANCES AT BEGINNING OF THE PERIOD	481,599	(49,106)
CASH AND OVERDRAFT BALANCES AT END OF THE PERIOD	941,695	481,599
CHANGE IN CASH AND OVERDRAFT BALANCES	460,096	530,705

NOTES TO CASH FLOW STATEMENT

CAPITAL EXPENDITURE	55,546	214,643
SALES OF FIXED ASSETS	(69,575)	(78,068)
NET CAPITAL EXPENDITURE	(14,029)	136,575
FINANCING		
DEBT DUE WITHIN A YEAR		
Repayment of bank loans	-	-
DEBT DUE BEYOND A YEAR		
Repayment of bank loans	2,181	-
NET CASH FLOW FROM FINANCING	2,181	-

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF ACCOUNTS

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards.

1.2 TURNOVER

Turnover comprises the sales value of goods sold by the company, net of VAT

1.3 TANGIBLE FIXED ASSETS & DEPRECIATION

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:-

Long Leasehold	straight line over the remainder of long lease
Motor Vehicles	25% reducing balance basis
Fixtures Fittings and Equipment	15% reducing balance basis

Freehold properties held for investment are not depreciated.

Freehold properties used for the business are not depreciated as they are revealed by the directors annually. The directors take into account advice on relevant property values. Provision for permanent diminution in value is made as necessary.

1.4 LEASING AND HIRE PURCHASE

Assets (if any) obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 OPERATING LEASES

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.6 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks.

1.7 FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.8 DEFERRED TAXATION

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method.

RAJANI (WHOLESALE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

2 TURNOVER

The whole of the turnover and profit before taxation is attributable to the one principal activity of the company, and is all made in the United Kingdom.

3 OPERATING PROFIT /(LOSS)

The operating profit/(loss) is stated after charging:-

	2000 £	1999 £
Depreciation of tangible fixed assets & permanent diminution in value		
- owned by the company	110,836	115,383
- held under HP & Finance leases	-	-
Auditors remuneration	6,300	6,300
Operating lease rentals		
-Other	20,924	4,883
-Hire of Plant & Machinery	-	-

4 STAFF COSTS

Staff costs , including directors' remuneration,were as follows:

Wages & salaries	340,688	381,288
Social security costs	23,086	40,537
Other pension costs	10,000	-
	<u>373,774</u>	<u>421,825</u>
The average monthly number of employees including directors	33	40

5 DIRECTORS' REMUNERATION

Emoluments	24,124	24,124
Employers ni cost	2,679	2,025
Contributions under money purchase scheme	10,000	-
Attributable to the highest paid Director	<u>20,800</u>	<u>20,800</u>

6 INTEREST PAYABLE

On bank loans and overdrafts	(476)	10,040
On Finance leases and hire purchase contracts	-	-

7 TAXATION

UK CURRENT YEAR TAXATION

UK corporation tax at prevailing rates

Full provision is made for deferred tax

UK corporation tax	182,807	355,587
Transfer to(from) deferred taxation	(3,763)	10,795
	<u>179,044</u>	<u>366,382</u>
PRIOR YEARS		
UK corporation tax	-	-
	<u>179,044</u>	<u>366,382</u>

8 DIVIDENDS

On Ordinary Shares of £1 each	100,240	77,690
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RAJANI (WHOLESALE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

9 TANGIBLE FIXED ASSETS

	Land and Buildings	Fixtures and Equipment	Motor Vehicles	Total
COST or VALUATION				
At 1 January	2,594,579	276,274	10,836	2,881,689
Additions	18,999	36,547	-	55,546
Permanent diminution in value	-	-	-	-
Disposals	(80,000)	-	-	(80,000)
At 31 December	2,533,578	312,821	10,836	2,857,235
DEPRECIATION				
At 1 January	(129,134)	(88,034)	(10,836)	(228,004)
Charge for year	(80,220)	(30,616)	-	(110,836)
On Disposals	-	-	-	-
At 31 December	(209,354)	(118,650)	(10,836)	(338,840)
NBV at 31 December 2000	2,324,224	194,171	-	2,518,395
NBV at 31 December 1999	2,465,445	188,240	-	2,653,685

Land & Buildings	Long Leasehold under 50 yrs Operating Properties	Long Leasehold over 50 yrs Operating Properties	Freehold Operating Properties	Freehold Investment Properties at Cost or valuation	Total Land & Buildings
COST or VALUATION					
At 1 January	278,822	1,945,870	-	369,887	2,594,579
Additions	23,329	(4,330)	-	-	18,999
Write off -from revaluation	-	-	-	-	-
Disposals	-	-	-	(80,000)	(80,000)
At 31 December	302,151	1,941,540	-	289,887	2,533,578
DEPRECIATION					
At 1 January	(15,857)	(113,277)	-	-	(129,134)
Charge for year	(5,520)	(74,700)	-	-	(80,220)
On Disposals	-	-	-	-	-
At 31 December	(21,377)	(187,977)	-	-	(209,354)
NBV at 31 December 2000	280,774	1,753,563	-	289,887	2,324,224
NBV at 31 December 1999	262,965	1,832,593	-	369,887	2,465,445

Investment properties included at valuations	2000 £	1999 £
Historical Cost	387,897	515,635
Valuation	243,074	323,074

RAJANI (WHOLESALE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

10 DEBTORS

	2000 £	1999 £
Due after more than one year:		
Other Debtors		
Due within one year:		
Trade debtors	52,613	71,256
Other debtors -prepayments & accrued income	72,016	88,271
	<u>124,629</u>	<u>159,527</u>

11 CREDITORS: amounts falling due within 1 year

Bank overdraft and loans	-	-
Other loan	-	-
Net obligations under finance lease & hire purchase contracts	-	-
Trade creditors	525,552	364,256
Corporation Tax	180,875	352,720
Other taxes & social security costs	112,245	164,922
Accruals & deferred income	29,542	38,230
	<u>848,214</u>	<u>920,128</u>

The bank overdraft and loans are secured by fixed charges on freehold and leasehold properties and floating charges by a debenture on the whole assets and undertaking of the company.

12 CREDITORS: amounts falling due after more than one year

Bank and other Loans	15,019	17,200
Net obligations under finance lease & hire purchase contracts	-	-
	<u>15,019</u>	<u>17,200</u>

There is a bank loan £15019 (1999:£17200) repayable after more than five years which is secured on the asset concerned.

This loan has however been repaid in full in the year ended 31 December 2001

13 DEFERRED TAXATION

Balance at beginning of the year	65,507	54,712
Charge for the year at the rate of tax applicable at the end of the year	1,697	10,418
add additional provision from changes in corporation tax rate applied	(5,460)	377
	<u>61,744</u>	<u>65,507</u>

The provision for deferred taxation is calculated on accelerated capital allowances on the liability method at the company's average Corporation tax rate for the year.

This is a full provision

RAJANI (WHOLESALE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000

14 CALLED UP SHARE CAPITAL

	2000 £	1999 £
AUTHORISED		
Ordinary Shares of £1 each	100	100
ALLOTTED, CALLED UP AND FULLY PAID		
Ordinary Shares of £1 each	100	100

15 CONTINGENT LIABILITIES

The company had no contingent liabilities	-	-
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16 CAPITAL COMMITMENTS

At the year end the company had capital commitments as follows:-

Contracted for but not provided in these accounts	-	-
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17 OTHER COMMITMENTS

The company had annual commitments under non-cancellable operating leases as follows:-

	Land & Buildings		Other	
	2000	1999	2000	1999
Expiry date:				
Within one year	-	-	-	-
Between two & five years	-	-	-	-
In more than five years	20,924	4,883	-	-

18 MOVEMENT OF SHAREHOLDERS FUNDS

	2000 £	1999 £
Profit or (Loss) for the year	426,817	776,546
Less Dividends	(100,240)	(77,690)
	326,577	698,856
Opening shareholders' funds	2,694,877	1,996,020
Closing shareholders' funds	3,021,454	2,694,876

19 EXCEPTIONAL ITEMS

Diminution in value and loss on disposal		
Investment properties	(10,425)	2,593
Freehold properties	-	-
Long leasehold Land & Buildings	-	-
	(10,425)	2,593

20 TRANSACTIONS WITH DIRECTORS AND RELATED PARTY TRANSACTIONS

Mr and Mrs Rajani control the company. They own all the issued capital.

Mr and Mrs Rajani have provided guarantees to the company's bank for	240,000	240,000
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21 POST BALANCE SHEET EVENTS

There were no events arising

22 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. At the Balance Sheet date there were unpaid contributions due to the fund amounting to.

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