

RAJANI (WHOLESALE) LIMITED
DIRECTORS REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002



COMPANY NO. 01625621 (ENGLAND & WALES)

RAJANI (WHOLESALE) LIMITED

**DIRECTORS REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

COMPANY INFORMATION

DIRECTORS

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

RAJANI (WHOLESALE) LIMITED

**DIRECTORS REPORT & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

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RAJANI (WHOLESALE) LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31 DECEMBER 2002

The directors present their report and the financial statements for the year ended 31 December 2002

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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 ACTIVITIES AND REVIEW OF BUSINESS

The company's principal activity continues as retailers of household, electrical and fancy goods. The results for the year are set out on Page 3. The Directors consider the operating results and state of affairs of the company to be satisfactory. The company completed a warehouse development adjacent to the company's trading premises, and this has since completion been let. Another substantial property adjacent to the company's trading premises was acquired in December 2002. This will provide space to expand the company's operations.

DIRECTORS

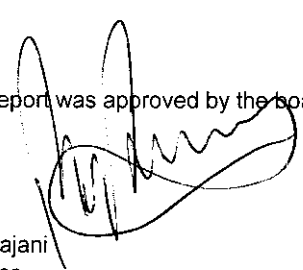
The directors who served during the year and their beneficial interests in the company's issued ordinary share capital were:

	Number of Shares	
	2002	2001
R V Rajani	50	50
G Rajani	50	50

AUDITORS

The auditors, John Bradley & Co will continue in office subject to the provisions of section 386 of the Companies Act 1985.

This report was approved by the board on 22 October 2003 and signed on its behalf



R V Rajani
Director

RAJANI (WHOLESALE) LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

Independent auditors' report to the shareholders of Rajani (Wholesale) Ltd

We have audited the financial statements of Rajani (Wholesale) Ltd for the year ended 31 December 2002 on pages 3 to 12. These financial statements have been prepared under the historical cost convention as modified by property revaluations and the accounting policies set out on page 6.

This report is made solely to the company's members, 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 members those matters that 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 members as a body, for our audit work, or the opinions we have formed

RESPECTIVE RESPONSIBILITIES OF DIRECTORS & AUDITORS

As described in the statement of Directors' Responsibilities on page 1 the company's directors are responsible for the preparation of 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 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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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

22 October 2003

RAJANI (WHOLESALE) LIMITED

**PROFIT & LOSS ACCOUNT
FOR THE YEAR ENDED
31 DECEMBER 2002**

	Notes	2002 £	2001 £
TURNOVER	1,2	3,783,814	3,982,355
Cost of Sales		(2,393,484)	(2,414,901)
GROSS PROFIT		1,390,330	1,567,454
Distribution costs		-	-
Administrative expenses		(1,104,664)	(1,038,405)
OPERATING PROFIT/(LOSS)	3,4,5	285,666	529,049
Rents received		188,480	170,080
Exceptional items	22	-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST		474,146	699,129
Interest receivable		73,233	34,999
Interest payable	6	(4,886)	(463)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		542,493	733,665
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	7	(157,444)	(224,151)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		385,049	509,514
Dividends on equity shares	8	(62,733)	(82,593)
RETAINED PROFIT/(LOSS) FOR THE YEAR		322,316	426,921
RETAINED PROFIT/(LOSS) BROUGHT FORWARD		3,546,387	3,119,468
RETAINED PROFIT/(LOSS) CARRIED FORWARD		3,868,703	3,546,389

None of the company's activities were acquired or discontinued during the year

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED
31 DECEMBER 2002**

Profit for the financial year	322,316	426,921
Unrealised surplus on revaluation of properties	250,000	-
Total recognised gains and losses relating to the year	572,316	426,921

The notes on pages 5 to 12 form part of these financial statements

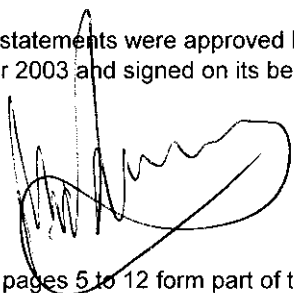
RAJANI (WHOLESALE) LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2002**

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible assets	9	1,931,981	1,997,454
Investments	10	2,921,533	458,132
CURRENT ASSETS			
Stocks	1.6	484,902	385,603
Debtors	11	849,825	128,085
Cash at bank & in hand		125,734	1,146,653
		1,460,461	1,660,341
CREDITORS : amounts falling due within one year	12	(2,235,383)	(605,704)
NET CURRENT ASSETS (LIABILITIES)		(774,922)	1,054,637
TOTAL ASSETS LESS CURRENT LIABILITIES		4,078,592	3,510,223
CREDITORS : amounts falling due after more than one year	13	-	-
PROVISIONS FOR LIABILITIES & CHARGES			
Deferred tax	14	(57,799)	(61,744)
NET ASSETS		4,020,793	3,448,479
CAPITAL & RESERVES			
Called up share capital	15	100	100
Profit & loss account	16	3,868,703	3,546,389
Revaluation reserve	17	151,990	(98,010)
SHAREHOLDERS' FUNDS	21	4,020,793	3,448,479
Consisting entirely of equity interests			

The financial statements were approved by the board of directors on 22 October 2003 and signed on its behalf.

R V Rajani
Director



The notes on pages 5 to 12 form part of these financial statements

RAJANI (WHOLESALE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

CASH FLOW STATEMENT	2002	2001
SOURCES	£	£
NET OPERATING CASH FLOW		
OPERATING PROFIT	285,666	529,049
DEPRECIATION	117,756	107,460
NET (INCREASE)/REDUCTION IN STOCK	(99,299)	(23,790)
NET (INCREASE)/REDUCTION IN DEBTORS	(721,740)	2,966
NET INCREASE/(REDUCTION) IN CREDITORS	66,706	(291,371)
NET OPERATING CASH FLOW	(350,911)	324,314
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Rents received:	188,480	170,080
Interest paid less received:	68,347	34,536
	256,827	204,616
CASH FLOW FROM INCOME ACTIVITIES	(94,084)	528,930
CORPORATION TAX PAID	(225,304)	(183,592)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	(2,265,686)	(44,653)
EQUITY DIVIDENDS PAID	(62,733)	(82,593)
MANAGEMENT OF LIQUID RESOURCES		
LOANS RAISED LESS REPAID	-	(15,019)
CHANGE IN CASH RESOURCES	(2,647,807)	203,073
CASH AND OVERDRAFT BALANCES AT BEGINNING OF THE PERIOD	1,144,768	941,695
CASH AND OVERDRAFT BALANCES AT END OF THE PERIOD	(1,503,039)	1,144,768
CHANGE IN CASH AND OVERDRAFT BALANCES	(2,647,807)	203,073

NOTES TO CASH FLOW STATEMENT

CAPITAL EXPENDITURE	2,265,686	44,653
SALES OF FIXED ASSETS	-	-
NET CAPITAL EXPENDITURE	2,265,686	44,653
FINANCING		
DEBT DUE WITHIN A YEAR		
Repayment of bank loans	-	-
DEBT DUE BEYOND A YEAR		
Repayment of bank loans	-	15,019
NET CASH FLOW FROM FINANCING	-	15,019

RAJANI (WHOLESALE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

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
Fixed plant and equipment	Straight line for 15 years.
Shop fittings equipment and furniture	15% reducing balance basis
Office equipment	15% reducing balance basis

Freehold and Long leasehold properties held for investment are not depreciated.

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

The charge takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognized for all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognized 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 in accordance with FRS19. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

1.8 PENSIONS

The company operates defined contribution pension schemes and the pension charge represents the amounts payable by the company to the fund in respect of the year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002

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.

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

	2002 £	2001 £
The operating profit/(loss) is stated after charging:-		
Depreciation of tangible fixed assets & permanent diminution in value		
- owned by the company	117,406	107,460
- held under HP & Finance leases	-	-
Auditors remuneration	6,000	6,000
Operating lease rentals		
-Other	7,497	8,579
-Hire of Plant & Machinery	919	

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

Wages & salaries	480,900	405,323
Social security costs	36,835	27,649
Other pension costs	75,546	104,641
	593,281	537,613

The average monthly number of employees including directors

Emoluments	69,000	29,235
Employers NI cost	6,921	1,199
Contributions under money purchase scheme	-	100,000
Benefits in Kind	-	-

On bank loans and overdrafts	4,886	463
On Finance leases and hire purchase contracts	-	-

UK CURRENT YEAR TAXATION
UK corporation tax at prevailing rates
Full provision is made for deferred tax

UK corporation tax-current year	157,519	224,151
UK corporation tax-prior year	3,870	-
	161,389	224,151
Transfer to(from) deferred taxation	(3,945)	-
	157,444	224,151

The tax assessed for the year is higher than the standard rate of UK taxation applicable to the company of

Profit on ordinary activities before tax	542,493	733,665
Profit on ordinary activities multiplied by the standard rate	141,366	204,326
Expenses not deductible for tax purposes	(2,296)	1,023
Depreciation for the year in excess of capital allowances	18,449	18,802
Adjustments to tax charge in respect of prior years	3,870	-
Current tax charge for the year	161,389	224,151

RAJANI (WHOLESALE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

8 DIVIDENDS

On Ordinary Shares of £1 each	62,733	82,593
Dividend per share	£627.33	£825.93

9 TANGIBLE FIXED ASSETS

	Land and Buildings	Fixtures and Equipment	Motor Vehicles	Total
COST or VALUATION				
At 1 January	2,111,748	321,171	10,836	2,443,755
Additions	3,191	49,092	-	52,283
Permanent diminution in value	-	-	-	-
Disposals	-	-	(10,836)	(10,836)
At 31 December	2,114,939	370,263	-	2,485,202
DEPRECIATION				
At 1 January	(286,154)	(149,311)	(10,836)	(446,301)
Charge for year	(84,376)	(33,380)	-	(117,756)
On Disposals	-	-	10,836	10,836
At 31 December	(370,530)	(182,691)	-	(553,221)
NBV at 31 December 2002	1,744,409	187,572	-	1,931,981
NBV at 31 December 2001	1,825,594	171,860	-	1,997,454

Land & Buildings	Long Leasehold over 50 yrs Operating Properties	Freehold Operating Properties	Total Land & Buildings
COST or VALUATION			
At 1 January	2,111,748	-	2,111,748
Additions	3,191	-	3,191
Write off -from revaluation	-	-	-
Disposals	-	-	-
At 31 December	2,114,939	-	2,114,939
DEPRECIATION			
At 1 January	(286,154)	-	(286,154)
Charge for year	(84,376)	-	(84,376)
On Disposals	-	-	-
At 31 December	(370,530)	-	(370,530)
NBV at 31 December 2002	1,744,409	-	1,744,409
NBV at 31 December 2001	1,825,594	-	1,825,594

During 2002 the leases of long leasehold properties under 50 years were renegotiated
The cost and accumulated depreciation at 31 Dec 2001 has been added to

Long leasehold over 50 years-operating properties	cost	170,209
	accumulated depreciation	(24,137)

RAJANI (WHOLESALE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002

10 INVESTMENTS

Land & Buildings	Long Leasehold over 50 yrs Investment Properties	Freehold Investment Properties at Cost or valuation	Total
COST or VALUATION			
At 1 January	168,245	289,887	458,132
Additions	536,101	1,677,300	2,213,401
Additional value arising from revaluation	-	250,000	250,000
Disposals	-	-	-
At 31 December	704,346	2,217,187	2,921,533
DEPRECIATION			
At 1 January	-	-	-
Charge for year	-	-	-
On Disposals	-	-	-
At 31 December	-	-	-
NBV at 31 December 2002	704,346	2,217,187	2,921,533
NBV at 31 December 2001	168,245	289,887	458,132

During 2002 the leases of long leasehold properties under 50 years were renegotiated
The cost and accumulated depreciation at 31 Dec 2001 has been added to

Long leasehold over 50 years-investment properties	cost	168,245
	accumulated depreciation	-

Investment properties are carried at Open market value. The valuations have been made by the director Mr Rajani.

	2002 £	2001 £
Investment properties included at valuations		
Historical Cost	387,897	387,897
Valuation	539,887	289,887

RAJANI (WHOLESALE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

11 DEBTORS

	2002	2001
	£	£
Due after more than one year:		
Other Debtors	-	-
Due within one year:		
Trade debtors	60,558	54,835
Other debtors -prepayments & short term advances made	789,267	73,250
	849,825	128,085

12 CREDITORS: amounts falling due within 1 year

Bank overdraft and loans	1,628,773	1,885
Other loan	-	-
Net obligations under finance lease & hire purchase contracts	-	-
Trade creditors	338,061	218,936
Corporation Tax	157,519	221,434
Other taxes & social security costs	32,768	140,161
Accruals & deferred income	78,262	23,288
	2,235,383	605,704

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.

13 CREDITORS: amounts falling due after more than one year

Bank and other Loans	-	-
Net obligations under finance lease & hire purchase contracts	-	-
	-	-

Bank loan repayable after more than five years

- -

14 DEFERRED TAXATION

Balance at beginning of the year	61,744	61,744
Charge for the year at the rate of tax applicable at the end of the year	99	-
add additional provision from changes in corporation tax rate applied	(4,044)	-
	57,799	61,744

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

The material components of the provision arise from:

Accelerated Capital allowances	57,799	61,744
Other revenue timing differences	-	-
Other timing differences	-	-

RAJANI (WHOLESALE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

15 CALLED UP SHARE CAPITAL

	2002	2001
	£	£
AUTHORISED		
Ordinary Shares of £1 each	100	100
ALLOTTED, CALLED UP AND FULLY PAID		
Ordinary Shares of £1 each	100	100

16 PROFIT & LOSS ACCOUNT

Balance at 1 January	3,546,387	3,119,468
Profit retained for the year	322,316	426,921
Balance at 31 December	3,868,703	3,546,389

17 REVALUATION RESERVE

Balance at 1 January	(98,010)	(98,010)
Surplus on revaluation of investment properties	250,000	-
Balance at 31 December	151,990	(98,010)

The write of to profit and loss in previous years for the diminution in value of investments in property have been restated in the revaluation reserve at 1 January 2001

18 CONTINGENT LIABILITIES

The company had no contingent liabilities	-	-
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19 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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20 OTHER COMMITMENTS

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

	Land & Buildings		Other	
	2002	2001	2002	2001
Expiry date:				
Within one year	9,755	9,755	-	-
Between two & five years	-	-	-	-
In more than five years	-	-	-	-

21 MOVEMENT OF SHAREHOLDERS FUNDS

Profit or (Loss) for the year	385,049	509,514
Less Dividends	(62,735)	(82,593)
	322,314	426,921
Unrealised surplus on revaluation of properties	250,000	-
Opening shareholders' funds	3,448,479	3,021,558
Closing shareholders' funds	4,020,793	3,448,479
	-	-

RAJANI (WHOLESALE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2002**

22 EXCEPTIONAL ITEMS

No items arose in the current or previous year

2002	2001
£	£
-	-
-	-
-	-
-	-

23 TRANSACTIONS WITH DIRECTORS

Mr and Mrs Rajani control the company. They own all the issued capital.
There are no transactions to report.

24 POST BALANCE SHEET EVENTS

There were no events arising

25 PENSION COMMITMENTS

The company operates two defined contribution pension schemes. One for the directors and a group personal pension scheme complying with the stakeholder legislation for its other employees. The assets of the schemes are held separately from those of the company in independently administered funds. At the Balance Sheet date there were unpaid contributions due to the fund amounting to.

These amounts were paid subsequently on the due date.

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413

26 RELATED PARTIES

These have been considered and there are no items to be disclosed under this heading