

SONIK PRODUCTS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30TH APRIL 2002



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SONIK PRODUCTS LIMITED
INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH APRIL 2002

<u>CONTENTS</u>	<u>PAGE</u>
Company Information	1
Responsibilities of Directors and Auditors	2
Report of the Directors	3-4
Report of the Auditors	5
Statement of Profit and Loss and Retained Earnings	6
Balance Sheet	7
Notes to Accounts	8-11

SONIK PRODUCTS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED

30TH APRIL 2002

Directors:

R. N. Kanbi

Secretary:

R. R. Kanbi

Registered Office:

Woodside End
Alperton
Wembely
HA0 1UT

Registered Number:

03184821 (England and Wales)

Auditors:

C. Jay & Co.
Chartered Certified Accountants
99A Cobbold Road
Willesden
LONDON
NW10 9SL

Bankers:

National Westminster Bank Plc
Dean Street Branch
PO Box 2162
20 Dean Street
London
W1A 1SX

SONIK PRODUCTS LIMITED

RESPONSIBILITIES OF DIRECTORS AND AUDITORS

FOR THE YEAR ENDED 30TH APRIL 2002

DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which gives 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 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.

AUDITORS RESPONSIBILITIES

It our responsibility to form an independent opinion on the financial statement presented by the directors based on our audit and to report our opinion to you. The Companies Act 1985 also requires us to report to you if the following requirements are not met:

That the company has maintained proper accounting records. That the financial statements are in agreement with the accounting records.

That directors' employment's and other transactions with directors are properly disclosed in the financial statements.

That we have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

SONIK PRODUCTS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30TH APRIL 2002

DIRECTORS REPORT

The Directors submit their annual report and financial statements of the Company for the year ended 30th April 2002.

PRINCIPAL ACTIVITIES

The principal activity of the Company is that of Wholesale Distribution of Health and Beauty Products.

STATE OF AFFAIRS

The Directors are satisfied with the state of the company's trading for the year under review and look forward to the future with confidence.

DIVIDENDS

The Directors approved the payment of a dividend of £40000.00.

FIXED ASSETS

All movements are shown in the attached financial statements.

EXPORTS

The exports of the year amounted to £210333 (2001 - £130395).

DONATIONS

There were no political or charitable donations made by the company during the year.

SONIK PRODUCTS LIMITED**REPORT OF THE DIRECTORS (CONT.....)****FOR THE YEAR ENDED 30TH APRIL 2002****DIRECTORS AND THEIR INTERESTS**

The directors who served during the year had the following interests in the Company's shares.

Number of Shares

R. N. Kanbi	68500
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CLOSE COMPANY

The Directors are of the opinion from the information available to them that the Company is a close company as defined by the Income and Corporation Taxes Act 1988.

Auditors

In accordance with Section 385 of the Companies Act 1985, the Company has passed an elective resolution to retain C. Jay & Co. as auditors without the need for annual re-election. C. Jay & Co. have indicated their willingness to continue in office.

This report has been prepared in accordance with the special provisions relating to small companies within part VII of the Companies ACT 1985.

DATE 27/1/03

R. R. KANBI

Signed on behalf of the Board.

INDEPENDENT AUDITORS REPORT TO THE SHAREHOLDERS OF**SONIK PRODUCTS LIMITED****FOR THE YEAR ENDED 30TH APRIL 2002**

We have audited the financial statements of Sonik Products Ltd for the year ended 30th April 2002, which comprises Profit and Loss Account and Balance Sheet and the related notes. These financial statements have been prepared in accordance with the financial reporting standard for small entities under the historical cost convention and the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the statement of Directors responsibilities the Company's directors are responsible for the presentation of financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with the relevant legal and regulatory requirements and United Kingdom Accounting 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 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 of our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom 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 explanation 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 irregularities 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 affairs at 30th April 2002, and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

C. Jay & Co
C. JAY & CO.

Registered Auditors

Date *29th January 03*

SONIK PRODUCTS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30TH APRIL 2002**

	<u>Notes</u>	<u>2002</u> £	<u>2001</u> £
<u>TURNOVER</u>	(2)	1536195	912797
Cost of Sales		<u>1328637</u>	<u>782736</u>
<u>GROSS PROFIT</u>		<u>207558</u>	<u>130061</u>
Administrative Expenses		77946	70830
Financial Expenses		<u>24296</u>	<u>27770</u>
		<u>102242</u>	<u>98600</u>
<u>PROFIT ON ORDINARY ACTIVITIES</u>	(3)	105316	31461
Taxation on Ordinary Activities	(7)	<u>20977</u>	<u>6149</u>
		84339	25312
Dividends		<u>40000</u>	<u>-</u>
		44339	25312
<u>RETAINED PROFIT BROUGHT FORWARD</u>		<u>97798</u>	<u>72486</u>
<u>RETAINED PROFIT CARRIED FORWARD</u>		£ <u>142137</u>	£ <u>97798</u>

SONIK PRODUCTS LIMITED**BALANCE SHEET AS AT 30TH APRIL 2002**

<u>FIXED ASSETS</u>	<u>Notes</u>	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
Tangible Assets	(10)	<u>252428</u>	<u>256329</u>
<u>CURRENT ASSETS</u>			
Stocks	(1e)	572416	375324
Debtors	(11)	85205	77013
Cash at Bank and in Hand		<u>105347</u>	<u>13533</u>
		762968	465870
<u>CREDITORS</u>			
Amounts falling due within one year	(12)	<u>357183</u>	<u>199711</u>
<u>NET CURRENT ASSETS</u>			
		<u>405785</u>	<u>266159</u>
<u>CREDITORS</u>			
	(13)	658213	522488
Amounts falling due after more than one year		<u>379076</u>	<u>424688</u>
		<u>£ 279137</u>	<u>£ 97800</u>
<u>CAPITAL AND RESERVES</u>			
		<u>£</u>	<u>£</u>
Called Up Share Capital	(14)	137000	2
Profit and Loss Account		<u>142137</u>	<u>97798</u>
		<u>£ 279137</u>	<u>£ 97800</u>

These accounts have been prepared in accordance with the special provisions relating to small companies within part VII of the companies Act 1985 and with the Financial Reporting Standard for smaller entities.



.....) DIRECTOR

Auditors' Report - Page 5.

The Notes on Pages 8 - 11 form an integral part of these Accounts.

SONIK PRODUCTS LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 30TH APRIL 2002****1) ACCOUNTING POLICIES**

- a) The Accounts have been prepared under the historic cost convention.
The company has taken advantage of the exemption in financial reporting standard No. 1 from the requirements to produce a cash flow statement on the grounds that it is a small company.
- b) Turnover represents the net amount of invoices to customers less credit notes for goods returned, excluding VAT.
- c) Depreciation has been provided on Fixed Assets on the Book Value of the assets concerned at the rate of 25%.
- d) No provision is made for taxation deferred in respect of material timing differences. In the opinion of the Directors, there is reasonable probability that the liability will not arise in the foreseeable future.
- e) Stock and Work in progress are valued at the lower of cost and net realisable value.
- f) The Accounts have been prepared on a going concern basis, with the understanding that the financial support from the company's Bankers, Directors and financiers will continue to be provided.

2) TURNOVER

The turnover and profit before taxation is attributable to the Company's principal activity, namely Health & Beauty Products.

3) OPERATING PROFIT

	<u>2002</u>	<u>2001</u>
	£	£
The operating profit is stated after charging:		
Depreciation of Tangible Fixed Assets	3901	5202
Auditors Remuneration	<u>2500</u>	<u>1500</u>

4) STAFF COSTS

	<u>2002</u>	<u>2001</u>
	£	£
Staff Costs, including directors remuneration, were as follows:		
Wages & Salaries	21700	21600
Social Security Costs	<u>968</u>	<u>1028</u>
	<u>22668</u>	<u>22628</u>

The average number of employees, including directors, during the year were as follows:

Office and Administration	<u>3</u>	<u>3</u>
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SONIK PRODUCTS LIMITED**NOTES TO THE ACCOUNTS (CONT)****FOR THE YEAR ENDED 30TH APRIL 2002****5) DIRECTORS REMUNERATION**

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
For Management	9600	9600
Directors Fees	<u>NIL</u>	<u>NIL</u>
	<u>9600</u>	<u>9600</u>

Included in the above are emoluments paid to:

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
The Chairman	9600	9600
Highest Paid Director	<u>NIL</u>	<u>NIL</u>

6) INTEREST PAYABLE

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
On Bank Overdrafts & Loans		
Repayable within 5 years, not by installments	<u>13537</u>	<u>9062</u>

7) TAXATION

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
UK Corporation Tax	<u>20977</u>	<u>5829</u>

Auditors' Report on Page 5.

These Notes form an integral part of the Accounts.

SONIK PRODUCTS LIMITED**NOTES TO THE ACCOUNTS (CONT.....)****FOR THE YEAR ENDED 30TH APRIL 2002**

- 8) No material Post Balance Sheet events have occurred that could significantly affect the True and Fair view of the Financial Statements.
- 9) In the opinion of the Directors, there are no known contingent liabilities at the Balance Sheet Date.

10) <u>FIXED ASSETS</u>	<u>Freehold Property</u>	<u>Motor Vehicles</u>	<u>Office Equipment</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Cost (B/F)	240725	30369	1250	272344
Additions	-	-	-	-
	<u>240725</u>	<u>30369</u>	<u>1250</u>	<u>272344</u>
Depreciation (B/F)	-	15600	415	16015
Charge for the year	-	3692	209	3901
Balance	-	19292	624	19916
<u>NET BOOK VALUE 30/4/02</u>	<u>240725</u>	<u>11077</u>	<u>626</u>	<u>252428</u>

11) <u>DEBTORS</u>	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Amounts due within one year:		
Trade Debtors	85205	65056
VAT Repayable	-	11957
	<u>85205</u>	<u>77013</u>

SONIK PRODUCTS LIMITED**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 30TH APRIL 2002****12) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Trade Creditors	220294	133148
VAT Payable	60495	-
Directors Current Account	-	5795
Sundry Creditors	43100	43100
H.P. Creditors	5757	8298
Corporation Tax	20977	5829
Inland Revenue	6560	3541
	<u>£ 357183</u>	<u>£ 199711</u>

13) CREDITORS - AMOUNTS DUE AFTER MORE THAN ONE YEAR

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
(Shareholders Loans are Interest free with no set repayment date)	193727	220390
Bank Loans	185349	204298
	<u>379076</u>	<u>424688</u>

14) CALLED UP SHARE CAPITAL

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
<u>Authorised</u>		
150000 Shares of £1 each	<u>150000</u>	<u>1000</u>
<u>Allotted, Issued and Fully Paid</u>		
137000 Shares of £1 each	<u>137000</u>	<u>2</u>

Accountants Report on Page 6.

These Notes form an integral part of the Accounts.