

Company Registration No. 02835652 (England and Wales)

IDEAL EUROPE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2000



IDEAL EUROPE LIMITED

COMPANY INFORMATION

Directors

M Singh
R Kaur

Secretary

Urmila Babulal Raithatha

Company number

02835652

Registered office

Sawhney House, Unit 31, Metro Centre, Dwight Road,
Watford
WD1 8SB

Accountants

Adler Shine
Middlesex House
29-45 High Street
Edgware
Middlesex
HA8 7HQ

Bankers

Canara Bank
Longbow House, 14/20 Chiswell Street
London
EC1 4SR

IDEAL EUROPE LIMITED

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IDEAL EUROPE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2000

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

Principal activities

The principal activity of the company continued to be that of the import, export and distribution of garments.

Directors

The following directors have held office since 1 August 1999:

M Singh

R Kaur

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary Shares of £ 1 each	
	31 July 2000	1 August 1999
M Singh	25,000	25,000
R Kaur	25,000	25,000

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

By order of the board

.....*U. B. Raithatha*.....

Urmila Babulal Raithatha

Secretary

.....17105101.....

IDEAL EUROPE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2000

	Notes	2000 £	1999 £
Turnover		780,705	320,599
Cost of sales		(646,005)	(299,103)
Gross profit		134,700	21,496
Administrative expenses		(113,071)	(113,733)
Operating profit/(loss)	2	21,629	(92,237)
Interest payable and similar charges		(34,690)	(20,691)
Loss on ordinary activities before taxation		(13,061)	(112,928)
Tax on loss on ordinary activities	3	-	-
Loss on ordinary activities after taxation	9	(13,061)	(112,928)

IDEAL EUROPE LIMITED

BALANCE SHEET AS AT 31 JULY 2000

	Notes	2000 £	£	1999 £	£
Fixed assets					
Tangible assets	4		8,068		10,758
Current assets					
Stocks		150,029		92,739	
Debtors	5	103,560		18,637	
Investments	6	10,000		-	
Cash at bank and in hand		809		5	
		<u>264,398</u>		<u>111,381</u>	
Creditors: amounts falling due within one year	7	<u>(541,071)</u>		<u>(377,683)</u>	
Net current liabilities			<u>(276,673)</u>		<u>(266,302)</u>
Total assets less current liabilities			<u>(268,605)</u>		<u>(255,544)</u>
Capital and reserves					
Called up share capital	8		50,000		50,000
Profit and loss account	9		<u>(318,605)</u>		<u>(305,544)</u>
Shareholders' funds			<u>(268,605)</u>		<u>(255,544)</u>

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board on 17/05/01.

Ripduman Kaur

R Kaur
Director

IDEAL EUROPE LIMITED

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

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	25% Reducing Balance
Motor vehicles	25% Reducing Balance

1.4 Investments

Current asset investments are stated at the lower of cost and net realisable value.

1.5 Stock

Stock is valued at the lower of cost and net realisable value.

1.6 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.7 Foreign currency translation

Transactions denominated in foreign currencies are translated into Sterling at the exchange rate ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into Sterling at the rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account.

1.8 Going Concern

The company meets its day to day working capital requirements through a bank overdraft and financial support from its shareholders. The bank overdraft facility is repayable on demand and is secured by personal guarantee given by the shareholders. The directors consider that the company will continue to operate within the facility currently agreed which is due for renewal in March 2002. However, the margin of facilities over requirements is not large and inherently, there can be no certainty in relation to these matters.

2 Operating profit/(loss)

	2000	1999
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	2,690	3,587

3 Taxation

The company has estimated losses of £313,500 (1999 - £301,010) available for carry forward against future trading profits.

On the basis of these financial statements no provision has been made for corporation tax.

IDEAL EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2000

4 Tangible fixed assets

	£
Cost	
At 1 August 1999 & at 31 July 2000	27,957
Depreciation	
At 1 August 1999	17,199
Charge for the year	2,690
At 31 July 2000	19,889
Net book value	
At 31 July 2000	8,068
At 31 July 1999	10,758

5 Debtors

	2000 £	1999 £
Trade debtors	96,381	13,922
Other debtors	7,179	4,715
	<u>103,560</u>	<u>18,637</u>

6 Current asset investments

	2000 £	1999 £
Other investments	<u>10,000</u>	<u>-</u>

7 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank loans and overdrafts	488,596	360,375
Trade creditors	28,665	8,168
Taxation and social security	17,130	1,307
Other creditors	6,680	7,833
	<u>541,071</u>	<u>377,683</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2000

8	Share capital	2000 £	1999 £
	Authorised		
	100,000 Ordinary Shares of £ 1 each	<u>100,000</u>	<u>100,000</u>
	Allotted, called up and fully paid		
	50,000 Ordinary Shares of £ 1 each	<u>50,000</u>	<u>50,000</u>

9 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 August 1999	(305,544)
Retained loss for the year	<u>(13,061)</u>
Balance at 31 July 2000	<u>(318,605)</u>

10 Control

The company is controlled by Mr. M Singh by virtue of his shareholding.

11 Related party transactions

There are no material related party transactions in the year.