

Registered number  
5373866

EAST LONDON TEXTILES LIMITED

Report and Accounts

28 February 2010

**EAST LONDON TEXTILES LIMITED**  
**Report and accounts**  
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**EAST LONDON TEXTILES LIMITED**  
**Company Information**

**Directors**

Darren Collins  
Marek Lewonowski

**Secretary**

County West Secretarial Services Limited  
6 Cambridge Court  
210 Shepherds Bush Road  
Hammersmith  
London W6 7NJ

**Accountants**

County West Commercial Services Limited  
6 Cambridge Court  
210 Shepherds Bush Road  
Hammersmith  
London  
W6 7NJ

**Bankers**

Barclays Bank PLC  
Metropolitan Essex Area Branch  
Ilford  
Essex  
IG6

**Registered office**

6 Cambridge Court  
210 Shepherds Bush Road  
Hammersmith  
London  
W6 7NJ

**Registered number**

5373866

**EAST LONDON TEXTILES LIMITED**

**Directors' Report**

**Company Number 5373866**

The directors present their report and accounts for the year ended 28 February 2010.

**Principal activities**

The company's principal activity during the year continued to be that of the export of second hand clothing.

**Directors**

The following persons served as directors during the year:

Darren Collins

Marek Lewonowski

**Small company provisions**

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board and signed on its behalf on 25 October 2010

Marek Lewonowski  
Director

**EAST LONDON TEXTILES LIMITED**  
**Profit and Loss Account**  
**for the year ended 28 February 2010**

	Notes	2010 £	2009 £
Turnover		4,548,698	3,944,740
Cost of sales		(3,533,245)	(2,873,610)
<b>Gross profit</b>		<u>1,015,453</u>	<u>1,071,130</u>
Distribution costs		(223,821)	(277,969)
Administrative expenses		(598,156)	(458,292)
Other operating income		233	3,861
<b>Operating profit</b>	2	<u>193,709</u>	<u>338,730</u>
Interest receivable		1,174	739
Interest payable	3	(2,288)	(1,793)
<b>Profit on ordinary activities before taxation</b>		<u>192,595</u>	<u>337,676</u>
Tax on profit on ordinary activities	4	(40,714)	(74,426)
<b>Profit for the financial year</b>		<u>151,881</u>	<u>263,250</u>

**EAST LONDON TEXTILES LIMITED**  
**Accountants' Report**

**Accountants' report to the directors of**  
**EAST LONDON TEXTILES LIMITED**

You consider that the company is exempt from an audit for the year ended 28 February 2010. You have acknowledged, on the balance sheet, your responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts. These responsibilities include preparing accounts that give a true and fair view of the state of affairs of the company at the end of the financial year and of its profit or loss for the financial year.

In accordance with your instructions, we have prepared the accounts which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records of the company and on the basis of information and explanations you have given to us.

We have not carried out an audit or any other review, and consequently we do not express any opinion on these accounts.

County West Commercial Services Limited  
Accountants

6 Cambridge Court  
210 Shepherds Bush Road  
Hammersmith  
London  
W6 7NJ

25 October 2010

**EAST LONDON TEXTILES LIMITED**  
**Balance Sheet**  
**as at 28 February 2010**

	Notes	2010 £	2009 £
<b>Fixed assets</b>			
Tangible assets	5	103,839	71,068
<b>Current assets</b>			
Stocks		134,562	55,637
Debtors	6	417,465	412,834
Investments held as current assets	7	53,300	-
Cash at bank and in hand		297,459	150,204
		<u>902,786</u>	<u>618,675</u>
<b>Creditors: amounts falling due within one year</b>	8	(561,092)	(333,045)
<b>Net current assets</b>		<u>341,694</u>	<u>285,630</u>
<b>Total assets less current liabilities</b>		<u>445,533</u>	<u>356,698</u>
<b>Creditors: amounts falling due after more than one year</b>	9	(26,340)	(5,691)
<b>Provisions for liabilities</b>	10	(18,073)	(11,864)
<b>Net assets</b>		<u>401,120</u>	<u>339,143</u>
<b>Capital and reserves</b>			
Called up share capital	11	100	4
Profit and loss account	12	401,020	339,139
<b>Shareholders' funds</b>		<u>401,120</u>	<u>339,143</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006 and that members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

Marek Lewonowski

Director

Approved by the board on 25 October 2010

**EAST LONDON TEXTILES LIMITED**  
**Notes to the Accounts**  
**for the year ended 28 February 2010**

**1 Accounting policies**

***Basis of preparation***

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

***Turnover***

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

***Depreciation***

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Office fixtures and fittings	25% reducing balance
Plant and machinery	25% reducing balance
IT equipment	25% reducing balance

***Stocks***

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

***Deferred taxation***

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

<b>2 Operating profit</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation of owned fixed assets	18,294	17,991
Depreciation of assets held under finance leases and hire purchase contracts	18,515	5,697
Directors' remuneration	<u>24,000</u>	<u>22,800</u>



**EAST LONDON TEXTILES LIMITED**  
**Notes to the Accounts**  
**for the year ended 28 February 2010**

<b>3 Interest payable</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Interest payable	<u>2,288</u>	<u>1,793</u>

<b>4 Taxation</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
UK corporation tax	34,505	74,426
Deferred tax	<u>6,209</u>	<u>-</u>
	<u>40,714</u>	<u>74,426</u>

**5 Tangible fixed assets**

	<b>Office fixtures and fittings £</b>	<b>Plant and machinery etc £</b>	<b>IT equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 March 2009	12,720	95,262	8,469	116,451
Additions	-	68,843	737	69,580
At 28 February 2010	<u>12,720</u>	<u>164,105</u>	<u>9,206</u>	<u>186,031</u>
<b>Depreciation</b>				
At 1 March 2009	4,750	36,844	3,789	45,383
Charge for the year	<u>1,992</u>	<u>33,463</u>	<u>1,354</u>	<u>36,809</u>
At 28 February 2010	<u>6,742</u>	<u>70,307</u>	<u>5,143</u>	<u>82,192</u>
<b>Net book value</b>				
At 28 February 2010	<u>5,978</u>	<u>93,798</u>	<u>4,063</u>	<u>103,839</u>
At 28 February 2009	<u>7,970</u>	<u>58,418</u>	<u>4,680</u>	<u>71,068</u>

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Net book value of plant and machinery included above held under finance leases and hire purchase contracts	<u>55,535</u>	<u>17,069</u>

<b>6 Debtors</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Trade debtors	320,260	341,418
Other debtors	66,205	68,926
Prepayments and accrued income	<u>31,000</u>	<u>2,490</u>
	<u>417,465</u>	<u>412,834</u>

**EAST LONDON TEXTILES LIMITED**  
**Notes to the Accounts**  
**for the year ended 28 February 2010**

<b>7 Investments held as current assets</b>	<b>2010</b>	<b>2009</b>		
	<b>£</b>	<b>£</b>		
Unlisted investments	<u>53,300</u>	<u>-</u>		
<b>8 Creditors: amounts falling due within one year</b>	<b>2010</b>	<b>2009</b>		
	<b>£</b>	<b>£</b>		
Bank loans and overdrafts	10,184	-		
Obligations under finance lease and hire purchase contracts	20,550	4,767		
Trade creditors	299,631	145,693		
Corporation tax	34,565	64,947		
Other taxes and social security costs	6,080	4,068		
Other creditors	180,717	108,320		
Accruals and deferred income	9,365	5,250		
	<u>561,092</u>	<u>333,045</u>		
<b>9 Creditors: amounts falling due after one year</b>	<b>2010</b>	<b>2009</b>		
	<b>£</b>	<b>£</b>		
Obligations under finance lease and hire purchase contracts	<u>26,340</u>	<u>5,691</u>		
<b>10 Provisions for liabilities</b>				
Deferred taxation:	<b>2010</b>	<b>2009</b>		
	<b>£</b>	<b>£</b>		
Accelerated capital allowances	<u>18,073</u>	<u>11,864</u>		
	<b>2010</b>	<b>2009</b>		
	<b>£</b>	<b>£</b>		
At 1 March	11,864	2,325		
Deferred tax charge in profit and loss account	6,209	9,539		
At 28 February	<u>18,073</u>	<u>11,864</u>		
<b>11 Share capital</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>No</b>	<b>No</b>	<b>£</b>	<b>£</b>
Allotted, called up and fully paid:				
Ordinary shares of £1 each	100	4	100	4

During the year ninety six ordinary shares were issued and fully paid

**EAST LONDON TEXTILES LIMITED**  
**Notes to the Accounts**  
**for the year ended 28 February 2010**

**12 Profit and loss account**

	<b>2010</b>
	<b>£</b>
At 1 March 2009	339,139
Profit for the year	151,881
Dividends	(90,000)
	<hr/>
At 28 February 2010	<b>401,020</b>

**13 Dividends**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Dividends for which the company became liable during the year:		
Dividends paid	<hr/> 90,000	<hr/> 50,000

**14 Other financial commitments**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
At the year end the company had annual commitments under non-cancellable operating leases as set out below:		
Operating leases which expire:		
within two to five years	<hr/> 4,416	<hr/> 4,306

**15 Transactions with directors**

Included in other creditors is an amount in the sum of £74,008 (2009 - £55,916) which represents an interest-free loan from Darren Collins, director and shareholder, and an amount in the sum of £38,656 (2009 - £19,629) which represents an interest-free loan from Marek Lewonowski, director and shareholder.

**16 Related parties**

Included in other creditors is an amount in the sum of £40,471 (2009 - £23,500) which represents an interest-free loan from Mrs Magdalena Zych-Lewonowski, shareholder.

**17 Controlling party**

Marek Lewonowski together with his wife, Mrs Magdalena Zych-Lewonowski, hold 60% of the issued share capital of the company and it is therefore considered that by virtue of their combined holding they are the controlling party.

**EAST LONDON TEXTILES LIMITED**  
**Profit and Loss Account**  
**for the year ended 28 February 2010**  
*for the information of the directors only*

	2010 £	2009 £
<b>Sales</b>	4,548,698	3,944,740
<b>Cost of sales</b>	(3,533,245)	(2,873,610)
<b>Gross profit</b>	<u>1,015,453</u>	<u>1,071,130</u>
Distribution costs	(223,821)	(277,969)
Administrative expenses	(598,156)	(458,292)
Other operating income	233	3,861
<b>Operating profit</b>	<u>193,709</u>	<u>338,730</u>
Interest receivable	1,174	739
Interest payable	(2,288)	(1,793)
<b>Profit before tax</b>	<u>192,595</u>	<u>337,676</u>

**EAST LONDON TEXTILES LIMITED**  
**Schedule to the Profit and Loss Account**  
**for the year ended 28 February 2010**  
*for the information of the directors only*

	2010 £	2009 £
<b>Sales</b>		
Sales	<u>4,548,698</u>	<u>3,944,740</u>
<b>Cost of sales</b>		
Purchases	3,602,134	2,892,895
Increase in stocks	(78,925)	(28,062)
Gas cylinders	6,361	4,034
Waste disposal	<u>3,675</u>	<u>4,743</u>
	<u>3,533,245</u>	<u>2,873,610</u>
<b>Distribution costs</b>		
Storage, packaging and transport	<u>223,821</u>	<u>277,969</u>
<b>Administrative expenses</b>		
Employee costs:		
Wages and salaries	349,552	238,507
Directors' salaries	24,000	22,800
Shareholder's salaries	12,000	11,400
First aid training	-	140
Employer's NI	22,058	15,298
Travel and subsistence	2,802	2,433
Motor expenses	40,084	18,267
Motor insurances	<u>2,920</u>	<u>1,701</u>
	<u>453,416</u>	<u>310,546</u>
Premises costs:		
Rates	36,375	21,159
Building repairs	<u>2,177</u>	<u>2,475</u>
	<u>38,552</u>	<u>23,634</u>
General administrative expenses:		
Telephone and fax	7,474	6,632
Postage, carriage and paypal fees	1,996	344
Stationery and printing	3,890	688
Operating lease rentals	4,416	4,306
Bank charges	4,269	3,466
Industrial insurances	2,918	1,751
Equipment expensed	12,813	4,713
Software and website costs	809	425
Repairs and maintenance	7,291	8,687
Depreciation	36,809	23,688
Bad debt provision	(19,406)	62,125
Sundry expenses	<u>322</u>	<u>396</u>
	<u>63,601</u>	<u>117,221</u>

**EAST LONDON TEXTILES LIMITED**  
**Schedule to the Profit and Loss Account**  
**for the year ended 28 February 2010**  
*for the information of the directors only*

	2010 £	2009 £
Legal and professional costs:		
Accountancy fees	11,905	6,891
Sponsorship, advertising and marketing	26,072	-
Other legal and professional	4,610	-
	<u>42,587</u>	<u>6,891</u>
	<u>598,156</u>	<u>458,292</u>
<b>Other operating income</b>		
SMP and SPP recovered	223	3,695
NIC Compensation	10	166
	<u>233</u>	<u>3,861</u>