

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)
Gross profit		<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
Operating profit	2	<u>193,709</u>	<u>338,730</u>
Interest receivable		1,174	739
Interest payable	3	(2,288)	(1,793)
Profit on ordinary activities before taxation		<u>192,595</u>	<u>337,676</u>
Tax on profit on ordinary activities	4	(40,714)	(74,426)
Profit for the financial year		<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 £
Fixed assets			
Tangible assets	5	103,839	71,068
Current assets			
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>
Creditors: amounts falling due within one year	8	(561,092)	(333,045)
Net current assets		<u>341,694</u>	<u>285,630</u>
Total assets less current liabilities		<u>445,533</u>	<u>356,698</u>
Creditors: amounts falling due after more than one year	9	(26,340)	(5,691)
Provisions for liabilities	10	(18,073)	(11,864)
Net assets		<u>401,120</u>	<u>339,143</u>
Capital and reserves			
Called up share capital	11	100	4
Profit and loss account	12	401,020	339,139
Shareholders' funds		<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.

2 Operating profit	2010	2009
	£	£
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

3 Interest payable		2010	2009
		£	£
Interest payable		<u>2,288</u>	<u>1,793</u>
4 Taxation		2010	2009
		£	£
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			
	Office	Plant and	
	fixtures and	machinery	
	fittings	etc	IT
	£	£	equipment
			£
			Total
			£
Cost			
At 1 March 2009	12,720	95,262	8,469
Additions	-	68,843	737
At 28 February 2010	<u>12,720</u>	<u>164,105</u>	<u>9,206</u>
			<u>186,031</u>
Depreciation			
At 1 March 2009	4,750	36,844	3,789
Charge for the year	1,992	33,463	1,354
At 28 February 2010	<u>6,742</u>	<u>70,307</u>	<u>5,143</u>
			<u>82,192</u>
Net book value			
At 28 February 2010	<u>5,978</u>	<u>93,798</u>	<u>4,063</u>
At 28 February 2009	<u>7,970</u>	<u>58,418</u>	<u>4,680</u>
			<u>71,068</u>
		2010	2009
		£	£
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>
6 Debtors		2010	2009
		£	£
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

7 Investments held as current assets			2010	2009
			£	£
Unlisted investments			<u>53,300</u>	<u>-</u>
8 Creditors: amounts falling due within one year			2010	2009
			£	£
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>
9 Creditors: amounts falling due after one year			2010	2009
			£	£
Obligations under finance lease and hire purchase contracts			<u>26,340</u>	<u>5,691</u>
10 Provisions for liabilities				
Deferred taxation:			2010	2009
			£	£
Accelerated capital allowances			<u>18,073</u>	<u>11,864</u>
			2010	2009
			£	£
At 1 March			11,864	2,325
Deferred tax charge in profit and loss account			6,209	9,539
			<u>18,073</u>	<u>11,864</u>
11 Share capital	2010	2009	2010	2009
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	100	4	<u>100</u>	<u>4</u>

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

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

14 Other financial commitments	2010	2009
	£	£
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	<u>4,416</u>	<u>4,306</u>

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 £
Sales	4,548,698	3,944,740
Cost of sales	(3,533,245)	(2,873,610)
Gross profit	<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
Operating profit	<u>193,709</u>	<u>338,730</u>
Interest receivable	1,174	739
Interest payable	(2,288)	(1,793)
Profit before tax	<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 £
Sales		
Sales	<u>4,548,698</u>	<u>3,944,740</u>
Cost of sales		
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>
Distribution costs		
Storage, packaging and transport	<u>223,821</u>	<u>277,969</u>
Administrative expenses		
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>
	453,416	310,546
Premises costs:		
Rates	36,375	21,159
Building repairs	<u>2,177</u>	<u>2,475</u>
	38,552	23,634
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>
Other operating income		
SMP and SPP recovered	223	3,695
NIC Compensation	10	166
	<u>233</u>	<u>3,861</u>