

Company Registration No. 06938895 (England and Wales)

VERIGOLD JEWELLERY (UK) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

Richard Anthony and Company
Chartered Accountants

VERIGOLD JEWELLERY (UK) LIMITED

COMPANY INFORMATION

Directors	Hitesh Shah Niranjan Shah Sumit Shah
Company number	06938895
Registered office	88 - 90 Hatton Garden Suite 56, 5th Floor London EC1N 8PN
Auditors	Richard Anthony and Company 13 Station Road Finchley London N3 2SB
Business address	88 - 90 Hatton Garden Suite 56, 5th Floor London EC1N 8PN

VERIGOLD JEWELLERY (UK) LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the cash flow statement	8
Notes to the financial statements	9 - 14

VERIGOLD JEWELLERY (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2012

The directors present their report and financial statements for the year ended 31 March 2012.

Principal activities

The principal activity of the company continued to be that of jewellery importers and wholesalers.

Directors

The following directors have held office since 1 April 2011:

Hitesh Shah
Niranjan Shah
Sumit Shah

Auditors

Richard Anthony and Company were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

VERIGOLD JEWELLERY (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

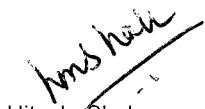
FOR THE YEAR ENDED 31 MARCH 2012

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board



Hitesh Shah

Director

27 April 2012

VERIGOLD JEWELLERY (UK) LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF VERIGOLD JEWELLERY (UK) LIMITED

We have audited the financial statements of Verigold Jewellery (UK) Limited for the year ended 31 March 2012 set out on pages 5 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters 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, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

VERIGOLD JEWELLERY (UK) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF VERIGOLD JEWELLERY (UK) LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report.

Michael Barnett BA (Econ) FCA (Senior Statutory Auditor)
for and on behalf of Richard Anthony and Company

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Chartered Accountants
Statutory Auditor

13 Station Road
Finchley
London
N3 2SB

VERIGOLD JEWELLERY (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2012

		2012	2011
	Notes	£	£
Turnover		788,459	1,015,138
Cost of sales		(686,128)	(811,286)
Gross profit		102,331	203,852
Distribution costs		(7,969)	-
Administrative expenses		(231,125)	(195,034)
Operating (loss)/profit	2	(136,763)	8,818
Interest payable and similar charges		-	(2,742)
(Loss)/profit on ordinary activities before taxation		(136,763)	6,076
Tax on (loss)/profit on ordinary activities	3	24,355	(1,375)
(Loss)/profit for the year	9	(112,408)	4,701

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

VERIGOLD JEWELLERY (UK) LIMITED

BALANCE SHEET


AS AT 31 MARCH 2012

	Notes	2012 £	£	2011 £	£
Fixed assets					
Tangible assets	4		3,024		1,899
Current assets					
Stocks		247,677		344,906	
Debtors	5	115,181		231,636	
Cash at bank and in hand		121,253		101,711	
		<u>484,111</u>		<u>678,253</u>	
Creditors: amounts falling due within one year	6	<u>(240,806)</u>		<u>(321,415)</u>	
Net current assets			<u>243,305</u>		<u>356,838</u>
Total assets less current liabilities			<u>246,329</u>		<u>358,737</u>
			<u>246,329</u>		<u>358,737</u>
Capital and reserves					
Called up share capital	8	450,000		450,000	
Profit and loss account	9	(203,671)		(91,263)	
Shareholders' funds	10	<u>246,329</u>		<u>358,737</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved by the Board and authorised for issue on 27 April 2012


Hitesh Shah
Director


Sumit Shah
Director

Company Registration No. 06938895

VERIGOLD JEWELLERY (UK) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2012

	£	2012 £	£	2011 £
Net cash inflow/(outflow) from operating activities		21,422		(148,232)
Returns on investments and servicing of finance				
Interest paid	-		(2,742)	
	-----		-----	
Net cash outflow for returns on investments and servicing of finance		-		(2,742)
Capital expenditure				
Payments to acquire tangible assets	(1,880)		-	
	-----		-----	
Net cash outflow for capital expenditure		(1,880)		-
		-----		-----
Net cash inflow/(outflow) before management of liquid resources and financing		19,543		(150,974)
Financing				
Issue of ordinary share capital	-		300,000	
Repayment of other long term loans	-		(132,202)	
	-----		-----	
Net cash (outflow)/inflow from financing		-		167,798
		-----		-----
Increase in cash in the period		19,543		16,824
		=====		=====

VERIGOLD JEWELLERY (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2012

1	Reconciliation of operating (loss)/profit to net cash inflow/(outflow) from operating activities		2012	2011
			£	£
	Operating (loss)/profit		(136,763)	8,818
	Depreciation of tangible assets		756	475
	Decrease/(increase) in stocks		97,229	(225,875)
	Decrease/(increase) in debtors		140,809	(185,420)
	(Decrease)/Increase in creditors within one year		(80,609)	253,770
	Net cash inflow/(outflow) from operating activities		21,422	(148,232)
2	Analysis of net funds	1 April 2011	Cash flow	Other non- 31 March 2012
			cash changes	
		£	£	£
	Net cash:			
	Cash at bank and in hand	101,711	19,542	-
	Bank deposits	-	-	-
	Debts falling due within one year	(292,614)	-	301,881
	Debts falling due after one year	292,614	-	(301,881)
	Net funds	101,711	19,542	-
3	Reconciliation of net cash flow to movement in net funds		2012	2011
			£	£
	Increase in cash in the year		19,542	16,824
	Cash (inflow)/outflow from (increase)/decrease in debt		-	132,202
	Movement in net funds in the year		19,542	149,026
	Opening net funds/(debt)		101,711	(47,315)
	Closing net funds		121,253	101,711

VERIGOLD JEWELLERY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2012

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

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

1.4 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:

Computer equipment	
Fixtures, fittings & equipment	20% on net book value

1.5 Leasing

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

1.6 Stock

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

1.7 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Renaissance Jewellery Limited, a company incorporated in India, and is included in the consolidated accounts of that company.

VERIGOLD JEWELLERY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

2	Operating (loss)/profit	2012	2011
		£	£
	Operating (loss)/profit is stated after charging:		
	Depreciation of tangible assets	756	475
	Loss on foreign exchange transactions	8,360	-
	Operating lease rentals	12,003	12,918
	Auditors' remuneration (including expenses and benefits in kind)	11,000	6,405
	and after crediting:		
	Profit on foreign exchange transactions	-	(3,342)
		<u> </u>	<u> </u>
3	Taxation	2012	2011
		£	£
	Total current tax	-	-
	Deferred tax		
	Deferred tax charge/credit current year	(24,355)	1,375
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(136,763)	6,076
		<u> </u>	<u> </u>
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2011 - 21.00%)	(27,353)	1,276
		<u> </u>	<u> </u>
	Effects of:		
	Depreciation add back	151	100
	Tax losses utilised	25,529	-
	Other tax adjustments	1,672	(1,376)
		<u> </u>	<u> </u>
		27,352	(1,276)
		<u> </u>	<u> </u>
	Current tax charge for the year	(1)	-
		<u> </u>	<u> </u>
	Reconciliation - the current year tax charge does not reconcile to the above analysis. Please review figures in the database.	1	-
		<u> </u>	<u> </u>

The company has estimated losses of £ 245,068 (2011 - £ 117,421) available for carry forward against future trading profits.

VERIGOLD JEWELLERY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 April 2011	2,968
Additions	1,881
	<hr/>
At 31 March 2012	4,849
	<hr/>
Depreciation	
At 1 April 2011	1,069
Charge for the year	756
	<hr/>
At 31 March 2012	1,825
	<hr/>
Net book value	
At 31 March 2012	3,024
	<hr/> <hr/>
At 31 March 2011	1,899
	<hr/> <hr/>

5 Debtors	2012	2011
	£	£
Trade debtors	44,693	173,053
Other debtors	21,475	33,924
Deferred tax asset (see note 7)	49,013	24,659
	<hr/>	<hr/>
	115,181	231,636
	<hr/> <hr/>	<hr/> <hr/>

VERIGOLD JEWELLERY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

6 Creditors: amounts falling due within one year	2012	2011
	£	£
Trade creditors	794	8,706
Amounts owed to group undertakings and undertakings in which the company has a participating interest	214,289	284,619
Taxation and social security	4,772	3,947
Other creditors	20,951	24,143
	<u>240,806</u>	<u>321,415</u>

7 Provisions for liabilities

The deferred tax asset (included in debtors, note 5) is made up as follows:

	2012	
	£	
Balance at 1 April 2011	(24,658)	
Profit and loss account	(24,355)	
	<u>(49,013)</u>	
Balance at 31 March 2012	<u>(49,013)</u>	

	2012	2011
	£	£
Tax losses available	<u>(49,013)</u>	<u>(24,659)</u>

8 Share capital	2012	2011
	£	£
Allotted, called up and fully paid		
450,000 Ordinary shares of £1 each	<u>450,000</u>	<u>450,000</u>

VERIGOLD JEWELLERY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

9 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2011	(91,263)
Loss for the year	(112,408)
Balance at 31 March 2012	<u>(203,671)</u>

10 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
(Loss)/Profit for the financial year	(112,408)	4,701
Proceeds from issue of shares	-	300,000
Net (depletion in)/addition to shareholders' funds	<u>(112,408)</u>	<u>304,701</u>
Opening shareholders' funds	358,737	54,036
Closing shareholders' funds	<u>246,329</u>	<u>358,737</u>

11 Financial commitments

At 31 March 2012 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2013:

	Land and buildings	
	2012 £	2011 £
Operating leases which expire:		
Between two and five years	<u>13,250</u>	<u>10,000</u>

12 Control

The ultimate parent company is Renaissance Jewellery Limited, a company registered in India.

Renaissance Jewellery Limited prepares group financial statements and copies can be obtained directly from them.

VERIGOLD JEWELLERY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2012

13 Related party relationships and transactions

Included in creditors falling due within one year is a balance of £214,289 (2011: £284,619) owed to a parent company, Renaissance Jewellery Ltd, incorporated in India.

During the year, the company purchased £504,734 (2011: £872,138) worth of goods from parent company, Renaissance Jewellery Ltd, and £6,542 (2011: £24,855) worth of goods from Renaissance Jewellery NY Inc, fellow subsidiary company.

During the year, the company sold £123,903 (2011: £11,807) worth of goods to Renaissance Jewellery Ltd.

VERIGOLD JEWELLERY (UK) LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2012

	2012		2011	
	£	£	£	£
Turnover				
Sales		788,459		1,015,138
Cost of sales				
Opening stock of finished goods	344,906		119,031	
Purchases	525,138		944,943	
Other direct costs	12,255		471	
Duty and clearance costs	12,361		16,901	
Freight and Carriage costs	13,462		18,360	
Discounts allowed	17,323		59,828	
Profit/loss on foreign currency	8,360		(3,342)	
	<u>933,805</u>		<u>1,156,192</u>	
Closing stock of finished goods	(247,677)		(344,906)	
		<u>(686,128)</u>		<u>(811,286)</u>
Gross profit		102,331		203,852
Distribution costs	7,969		-	
Administrative expenses	231,125		195,034	
		<u>(239,094)</u>		<u>(195,034)</u>
Operating (loss)/profit		(136,763)		8,818
Interest payable				
Other interest paid	-		2,742	
		<u>-</u>		<u>(2,742)</u>
(Loss)/Profit before taxation		<u>(136,763)</u>		<u>6,076</u>

VERIGOLD JEWELLERY (UK) LIMITED

SCHEDULE OF DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 MARCH 2012

	2012	2011
	£	£
Distribution costs		
Advertising	7,969	-
	<hr/>	<hr/>
	7,969	-
	<hr/> <hr/>	<hr/> <hr/>
Administrative expenses		
Wages and salaries (excl. N.I.)	151,153	107,143
Employer's N.I. contributions	17,065	12,168
Secretarial Fees	-	4,068
Rent	12,003	12,918
Rates	5,214	5,278
Insurance	24	1,512
Light and heat	771	257
Repairs and maintenance	-	746
Printing, postage and stationery	3,614	2,693
Display materials	-	359
Telephone	5,649	3,543
Computer running costs	2,359	4,263
Travelling expenses	16,507	16,946
Legal and professional fees	1,104	-
Consultancy fees	-	3,120
Accountancy	-	9,880
Audit fees	11,000	6,405
Bank charges	1,700	1,071
Sundry expenses	2,156	2,189
Charitable donations - other	50	-
Depreciation on FF & E	489	475
Depreciation on computer equipment	267	-
	<hr/>	<hr/>
	231,125	195,034
	<hr/> <hr/>	<hr/> <hr/>
