

Company Registration No. 06938895 (England and Wales)

VERIGOLD JEWELLERY (UK) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2013

Richard Anthony and Company
Chartered Accountants

VERIGOLD JEWELLERY (UK) LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | Hitesh Shah Sumit Shah Dhruv Desai (Appointed 19 March 2013) |
| 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

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VERIGOLD JEWELLERY (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2013

The directors present their report and financial statements for the year ended 31 March 2013.

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 2012:

| | |
|---------------|---------------------------|
| Hitesh Shah | |
| Niranjan Shah | (Resigned 2 April 2013) |
| Sumit Shah | |
| Dhruv Desai | (Appointed 19 March 2013) |

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 2013

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

22 May 2013

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 2013 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 2013 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

26 June 2013

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 2013

| | Notes | 2013 £ | 2012 £ |
|--|----------|------------------------|-------------------------|
| Turnover | | 1,258,928 | 788,459 |
| Cost of sales | | <u>(1,033,711)</u> | <u>(686,128)</u> |
| Gross profit | | 225,217 | 102,331 |
| Distribution costs | | (1,972) | (7,969) |
| Administrative expenses | | <u>(240,202)</u> | <u>(231,125)</u> |
| Loss on ordinary activities before taxation | 2 | <u>(16,957)</u> | <u>(136,763)</u> |
| Tax on loss on ordinary activities | 3 | 446 | 24,355 |
| Loss for the year | 9 | <u><u>(16,511)</u></u> | <u><u>(112,408)</u></u> |

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

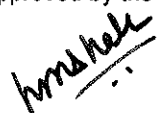
BALANCE SHEET

AS AT 31 MARCH 2013

| | Notes | 2013 £ | £ | 2012 £ | £ |
|---|-------|------------------|----------------|------------------|----------------|
| Fixed assets | | | | | |
| Tangible assets | 4 | | 1,917 | | 3,024 |
| Current assets | | | | | |
| Stocks | | 549,836 | | 247,677 | |
| Debtors | 5 | 351,993 | | 115,181 | |
| Cash at bank and in hand | | 33,038 | | 121,253 | |
| | | <u>934,867</u> | | <u>484,111</u> | |
| Creditors: amounts falling due within one year | 6 | <u>(706,966)</u> | | <u>(240,806)</u> | |
| Net current assets | | | <u>227,901</u> | | <u>243,305</u> |
| Total assets less current liabilities | | | <u>229,818</u> | | <u>246,329</u> |
| | | | <u>229,818</u> | | <u>246,329</u> |
| Capital and reserves | | | | | |
| Called up share capital | 8 | 450,000 | | 450,000 | |
| Profit and loss account | 9 | (220,182) | | (203,671) | |
| Shareholders' funds | 10 | | <u>229,818</u> | | <u>246,329</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and authorised for issue on 22 May 2013


Hitesh Shah
Director


Dhruv Desai
Director

Company Registration No. 06938895

VERIGOLD JEWELLERY (UK) LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

| | £ | 2013 £ | £ | 2012 £ |
|---|-------|-----------|---------|-----------|
| Net cash (outflow)/inflow from operating activities | | (88,073) | | 21,422 |
| Taxation | | (2) | | 1 |
| Capital expenditure | | | | |
| Payments to acquire tangible assets | (141) | | (1,881) | |
| Net cash outflow for capital expenditure | | (141) | | (1,881) |
| Net cash (outflow)/inflow before management of liquid resources and financing | | (88,215) | | 19,542 |
| Increase in cash in the period | | (88,215) | | 19,542 |

VERIGOLD JEWELLERY (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2013

| 1 | Reconciliation of operating loss to net cash (outflow)/inflow from operating activities | 2013 | 2012 |
|---|---|-----------------|---------------|
| | | £ | £ |
| | Operating loss | (16,957) | (136,763) |
| | Depreciation of tangible assets | 1,248 | 756 |
| | (Increase)/decrease in stocks | (302,159) | 97,229 |
| | (Increase)/decrease in debtors | (236,365) | 140,809 |
| | Increase/(decrease) in creditors within one year | 466,160 | (80,609) |
| | Net cash (outflow)/inflow from operating activities | <u>(88,073)</u> | <u>21,422</u> |

| 2 | Analysis of net funds | 1 April 2012 | Cash flow | Other non- cash changes | 31 March 2013 |
|---|-----------------------------------|----------------|-----------------|----------------------------|---------------|
| | | £ | £ | £ | £ |
| | Net cash: | | | | |
| | Cash at bank and in hand | 121,253 | (88,215) | - | 33,038 |
| | Bank deposits | - | - | - | - |
| | Debts falling due within one year | (301,881) | - | - | - |
| | Debts falling due after one year | 301,881 | - | - | - |
| | Net funds | <u>121,253</u> | <u>(88,215)</u> | <u>-</u> | <u>33,038</u> |

| 3 | Reconciliation of net cash flow to movement in net funds | 2013 | 2012 |
|---|--|-----------------|----------------|
| | | £ | £ |
| | (Decrease)/increase in cash in the year | (88,215) | 19,542 |
| | Movement in net funds in the year | <u>(88,215)</u> | <u>19,542</u> |
| | Opening net funds | 121,253 | 101,711 |
| | Closing net funds | <u>33,038</u> | <u>121,253</u> |

VERIGOLD JEWELLERY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2013

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:

| | |
|--------------------------------|-------------------|
| Fixtures, fittings & equipment | 25% straight line |
|--------------------------------|-------------------|

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 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.

1.8 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 2013

| | | | |
|----------|---|-------------------|-------------------|
| 2 | Operating loss | 2013 | 2012 |
| | | £ | £ |
| | Operating loss is stated after charging: | | |
| | Depreciation of tangible assets | 1,248 | 756 |
| | Loss on foreign exchange transactions | 12,516 | 8,360 |
| | Operating lease rentals | 16,223 | 12,003 |
| | Auditors' remuneration (including expenses and benefits in kind) | 9,250 | 11,000 |
| | Directors' remuneration | 3,750 | - |
| | | <u> </u> | <u> </u> |
| 3 | Taxation | 2013 | 2012 |
| | | £ | £ |
| | Total current tax | - | - |
| | Deferred tax | | |
| | Deferred tax charge/credit current year | (446) | (24,355) |
| | | <u> </u> | <u> </u> |
| | Factors affecting the tax charge for the year | | |
| | Loss on ordinary activities before taxation | (16,957) | (136,763) |
| | | <u> </u> | <u> </u> |
| | Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2012 - 20.00%) | (3,391) | (27,353) |
| | | <u> </u> | <u> </u> |
| | Effects of: | | |
| | Depreciation add back | 250 | 152 |
| | Capital allowances | (29) | - |
| | Tax losses available to be utilised | 446 | 25,529 |
| | Other tax adjustments | 2,724 | 1,672 |
| | | <u> </u> | <u> </u> |
| | | 3,391 | 27,353 |
| | | <u> </u> | <u> </u> |
| | Current tax charge for the year | - | - |
| | | <u> </u> | <u> </u> |

The company has estimated losses of £ 247,298 (2012 - £ 245,068) available for carry forward against future trading profits.

VERIGOLD JEWELLERY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

4 Tangible fixed assets

| | Plant and machinery etc |
|-----------------------|----------------------------|
| | £ |
| Cost | |
| At 1 April 2012 | 4,849 |
| Additions | 141 |
| At 31 March 2013 | <u>4,990</u> |
| Depreciation | |
| At 1 April 2012 | 1,825 |
| Charge for the year | 1,248 |
| At 31 March 2013 | <u>3,073</u> |
| Net book value | |
| At 31 March 2013 | <u>1,917</u> |
| At 31 March 2012 | <u>3,024</u> |

5 Debtors

| | 2013 | 2012 |
|---------------------------------|----------------|----------------|
| | £ | £ |
| Trade debtors | 260,915 | 44,693 |
| Other debtors | 41,618 | 21,475 |
| Deferred tax asset (see note 7) | 49,460 | 49,013 |
| | <u>351,993</u> | <u>115,181</u> |

VERIGOLD JEWELLERY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2013

| | | | |
|----------|---|-----------------|-----------------|
| 6 | Creditors: amounts falling due within one year | 2013 | 2012 |
| | | £ | £ |
| | Trade creditors | 40,459 | 794 |
| | Amounts owed to group undertakings and undertakings in which the company has a participating interest | 640,842 | 214,289 |
| | Taxation and social security | 7,007 | 4,772 |
| | Other creditors | 18,658 | 20,951 |
| | | <u>706,966</u> | <u>240,806</u> |
| | | | |
| 7 | Provisions for liabilities | | |
| | | | |
| | The deferred tax asset (included in debtors, note 5) is made up as follows: | | |
| | | 2013 | |
| | | £ | |
| | Balance at 1 April 2012 | (49,014) | |
| | Profit and loss account | (446) | |
| | | <u>(49,460)</u> | |
| | Balance at 31 March 2013 | <u>(49,460)</u> | |
| | | | |
| | | 2013 | 2012 |
| | | £ | £ |
| | Tax losses available | <u>(49,460)</u> | <u>(49,013)</u> |
| | | | |
| 8 | Share capital | 2013 | 2012 |
| | | £ | £ |
| | 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 2013

9 Statement of movements on profit and loss account

| | Profit and loss account £ |
|--------------------------|------------------------------------|
| Balance at 1 April 2012 | (203,671) |
| Loss for the year | (16,511) |
| Balance at 31 March 2013 | <u>(220,182)</u> |

10 Reconciliation of movements in shareholders' funds

| | 2013 £ | 2012 £ |
|-----------------------------|----------------|----------------|
| Loss for the financial year | (16,511) | (112,408) |
| Opening shareholders' funds | 246,329 | 358,737 |
| Closing shareholders' funds | <u>229,818</u> | <u>246,329</u> |

11 Financial commitments

At 31 March 2013 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2014:

| | Land and buildings 2013 £ | 2012 £ |
|--------------------------------|---------------------------------|---------------|
| Operating leases which expire: | | |
| Within one year | 7,729 | - |
| Between two and five years | - | 13,250 |
| | <u>7,729</u> | <u>13,250</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 2013

13 Related party relationships and transactions

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

VERIGOLD JEWELLERY (UK) LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2013

| | 2013 | | 2012 | |
|---------------------------------|------------------|--------------------|----------------|------------------|
| | £ | £ | £ | £ |
| Turnover | | | | |
| Sales | | 1,258,928 | | 788,459 |
| Cost of sales | | | | |
| Opening stock of finished goods | 247,677 | | 344,906 | |
| Purchases | 1,252,120 | | 525,138 | |
| Other direct costs | 29,145 | | 12,255 | |
| Duty and clearance costs | 21,387 | | 12,361 | |
| Freight and Carriage costs | 11,121 | | 13,462 | |
| Discounts allowed | 9,581 | | 17,323 | |
| Profit/loss on foreign currency | 12,516 | | 8,360 | |
| | <u>1,583,547</u> | | <u>933,805</u> | |
| Closing stock of finished goods | (549,836) | | (247,677) | |
| | | <u>(1,033,711)</u> | | <u>(686,128)</u> |
| Gross profit | | 225,217 | | 102,331 |
| Distribution costs | 1,972 | | 7,969 | |
| Administrative expenses | 240,202 | | 231,125 | |
| | | <u>(242,174)</u> | | <u>(239,094)</u> |
| Operating loss | | <u>(16,957)</u> | | <u>(136,763)</u> |

VERIGOLD JEWELLERY (UK) LIMITED

SCHEDULE OF DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 MARCH 2013

| | 2013 £ | 2012 £ |
|------------------------------------|----------------|----------------|
| Distribution costs | | |
| Advertising | 1,972 | 7,969 |
| | <u>1,972</u> | <u>7,969</u> |
| | | |
| Administrative expenses | | |
| Wages and salaries (excl. N.I.) | 149,213 | 151,153 |
| Directors' remuneration | 3,750 | - |
| Employer's N.I. contributions | 17,574 | 17,065 |
| Rent | 16,223 | 12,003 |
| Rates | 6,750 | 5,214 |
| Insurance | 1,521 | 24 |
| Light and heat | 505 | 771 |
| Repairs and maintenance | 1,138 | - |
| Printing, postage and stationery | 1,584 | 3,614 |
| Telephone | 5,915 | 5,649 |
| Computer running costs | 1,114 | 2,359 |
| Travelling expenses | 19,266 | 16,507 |
| Entertaining - non allowable | 1,103 | - |
| Legal and professional fees | 716 | 1,104 |
| Audit fees | 9,250 | 11,000 |
| Bank charges | 1,680 | 1,700 |
| Bad and doubtful debts | 100 | - |
| Sundry expenses | 1,552 | 2,156 |
| Charitable donations - other | - | 50 |
| Depreciation on FF & E | 615 | 756 |
| Depreciation on computer equipment | 633 | - |
| | <u>240,202</u> | <u>231,125</u> |