

**Company Registration No. 06938895 (England and Wales)**

**VERIGOLD JEWELLERY (UK) LIMITED  
DIRECTORS' REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2015**

**Richard Anthony  
Chartered Accountants and Registered Auditors**

# VERIGOLD JEWELLERY (UK) LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr Hitesh Shah Mr Sumit Shah Mr Dhruv Desai
<b>Company number</b>	06938895
<b>Registered office</b>	2nd Floor Elscot House Arcadia Avenue London N3 2JE
<b>Auditors</b>	Richard Anthony Gadd House Arcadia Avenue Finchley London N3 2JU

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# VERIGOLD JEWELLERY (UK) LIMITED

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# VERIGOLD JEWELLERY (UK) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 MARCH 2015

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The directors present the strategic report and financial statements for the year ended 31 March 2015.

#### **Review of the business**

The principal activity of the company is jewellery importers and wholesalers.

The company is part of a group and supplies jewellery to various customers based in the UK and worldwide. The company is continually trying to obtain new customers and expand its customer base.

The directors have considered the results for the year and the financial position at the year end to be satisfactory. The directors believe that the company is meeting expectations and will continue to grow profitability in the foreseeable future, by not only increasing turnover but also establishing a higher gross profit margin and continuing to keep a tight control on costs.

The directors carry out risk assessments and have implemented steps to minimise the identified risks.

The directors continue to examine all aspects of the business with a view to achieving profitability. Together with senior management, they monitor all other statistical information on a regular basis to ensure that they are aware of any trends and influences on profitability using relevant key performance indicators.

The directors future plans include the strengthening and widening of the customer base.

On behalf of the board



Mr Dhruv Desai

**Director**

1 May 2015

# VERIGOLD JEWELLERY (UK) LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 MARCH 2015

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The directors present their report and financial statements for the year ended 31 March 2015.

#### Results and dividends

The results for the year are set out on page 5.

#### Directors

The following directors have held office since 1 April 2014:

Mr Hitesh Shah  
Mr Sumit Shah  
Mr Dhruv Desai

#### Auditors

Richard Anthony 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 Strategic Report, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

#### 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.

On behalf of the board



Mr Dhruv Desai  
Director  
1 May 2015

# VERIGOLD JEWELLERY (UK) LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF VERIGOLD JEWELLERY (UK) LIMITED

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We have audited the financial statements of Verigold Jewellery (UK) Limited for the year ended 31 March 2015 set out on pages 5 to 15. 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 page 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 Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2015 and of its profit 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 Strategic Report and 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**

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#### **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.

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

12 May 2015

**Chartered Accountants**  
**Statutory Auditor**

Gadd House  
Arcadia Avenue  
Finchley  
London  
N3 2JU

# VERIGOLD JEWELLERY (UK) LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2015

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	Notes	2015 £	2014 £
Turnover	2	7,851,672	4,065,699
Cost of sales		(7,237,021)	(3,687,031)
<b>Gross profit</b>		614,651	378,668
Distribution costs		(78,802)	(2,573)
Administrative expenses		(446,412)	(299,746)
<b>Profit on ordinary activities before taxation</b>	3	89,437	76,349
Tax on profit on ordinary activities	4	(17,437)	(15,741)
<b>Profit for the year</b>	11	72,000	60,608

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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 2015

	Notes	2015		2014	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	5		18,329		5,482
<b>Current assets</b>					
Stocks	6	1,079,791		1,105,949	
Debtors	7	1,655,678		1,610,938	
Cash at bank and in hand		203,862		402,897	
		2,939,331		3,119,784	
<b>Creditors: amounts falling due within one year</b>	8	(2,595,234)		(2,834,840)	
<b>Net current assets</b>			344,097		284,944
<b>Total assets less current liabilities</b>			362,426		290,426
			362,426		290,426
<b>Capital and reserves</b>					
Called up share capital	10	450,000		450,000	
Profit and loss account	11	(87,574)		(159,574)	
<b>Shareholders' funds</b>	12		362,426		290,426

Approved by the Board and authorised for issue on 1 May 2015



Mr Dhruv Desai  
Director

Company Registration No. 06938895

# VERIGOLD JEWELLERY (UK) LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2015

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	£	2015 £	£	2014 £
<b>Net cash (outflow)/inflow from operating activities</b>		(179,045)		376,276
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(19,990)		(6,417)	
<b>Net cash outflow for capital expenditure</b>		(19,990)		(6,417)
<b>Net cash (outflow)/inflow before management of liquid resources and financing</b>		(199,035)		369,859
<b>(Decrease)/increase in cash in the year</b>		(199,035)		369,859

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# VERIGOLD JEWELLERY (UK) LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

<b>1 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities</b>		<b>2015</b>	<b>2014</b>	
		<b>£</b>	<b>£</b>	
Operating profit		89,437	76,349	
Depreciation of tangible assets		7,143	2,852	
Decrease/(increase) in stocks		26,158	(556,113)	
Increase in debtors		(62,177)	(1,274,686)	
(Decrease)/Increase in creditors within one year		(239,606)	2,127,874	
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(179,045)</b>	<b>376,276</b>	
<b>2 Analysis of net funds</b>	<b>1 April 2014</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>	<b>31 March 2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Net cash:				
Cash at bank and in hand	402,897	(199,035)	-	203,862
Bank deposits	-	-	-	-
<b>Net funds</b>	<b>402,897</b>	<b>(199,035)</b>	<b>-</b>	<b>203,862</b>
<b>3 Reconciliation of net cash flow to movement in net funds</b>		<b>2015</b>	<b>2014</b>	
		<b>£</b>	<b>£</b>	
(Decrease)/increase in cash in the year		(199,035)	369,859	
<b>Movement in net funds in the year</b>		<b>(199,035)</b>	<b>369,859</b>	
Opening net funds		402,897	33,038	
<b>Closing net funds</b>		<b>203,862</b>	<b>402,897</b>	

# VERIGOLD JEWELLERY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

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### 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% on a straight line basis
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#### 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 2015

### 2 Turnover

#### Geographical market

	Turnover	
	2015	2014
	£	£
United Kingdom	6,583,756	3,850,518
Other	1,267,916	215,181
	<u>7,851,672</u>	<u>4,065,699</u>

### 3 Operating profit

	2015	2014
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	7,143	2,852
Loss on foreign exchange transactions	392,784	-
Operating lease rentals	23,434	16,733
Fees payable to the company's auditor for the audit of the company's annual accounts	7,150	6,751
and after crediting:		
Profit on foreign exchange transactions	-	(81,748)
	<u>-</u>	<u>(81,748)</u>

# VERIGOLD JEWELLERY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

4 Taxation	2015	2014
	£	£
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
Deferred tax charge/credit current year	17,437	15,741
	<u>17,437</u>	<u>15,741</u>
<b>Factors affecting the tax charge for the year</b>		
Profit on ordinary activities before taxation	89,437	76,349
	<u>89,437</u>	<u>76,349</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 - 20.00%)	17,887	15,270
	<u>17,887</u>	<u>15,270</u>
Effects of:		
Non deductible expenses	2,099	1,184
Depreciation add back	1,429	570
Capital allowances	(3,998)	(1,283)
Tax losses available to be utilised	(17,437)	(15,741)
Other tax adjustments	20	-
	<u>(17,887)</u>	<u>(15,270)</u>
<b>Current tax charge for the year</b>	-	-
	<u>-</u>	<u>-</u>

The company has estimated losses of £ 81,409 (2014 - £ 168,594) available for carry forward against future trading profits.

# VERIGOLD JEWELLERY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

### 5 Tangible fixed assets

	<b>Fixtures, fittings &amp; equipment £</b>
<b>Cost</b>	
At 1 April 2014	11,407
Additions	19,990
At 31 March 2015	<u>31,397</u>
<b>Depreciation</b>	
At 1 April 2014	5,925
Charge for the year	7,143
At 31 March 2015	<u>13,068</u>
<b>Net book value</b>	
At 31 March 2015	<u>18,329</u>
At 31 March 2014	<u>5,482</u>

<b>6 Stocks</b>	<b>2015 £</b>	<b>2014 £</b>
Finished goods and goods for resale	1,079,791	1,105,949
	<u>1,079,791</u>	<u>1,105,949</u>
<b>7 Debtors</b>	<b>2015 £</b>	<b>2014 £</b>
Trade debtors	1,436,626	1,560,329
Other debtors	185,191	3,975
Prepayments and accrued income	17,579	12,915
Deferred tax asset (see note 9)	16,282	33,719
	<u>1,655,678</u>	<u>1,610,938</u>

# VERIGOLD JEWELLERY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

<b>8</b>	<b>Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Trade creditors	258,302	17,433
	Amounts owed to parent and fellow subsidiary undertakings	2,255,669	2,566,704
	Amounts owed to subsidiary undertakings	-	809
	Taxes and social security costs	7,499	90,492
	Other creditors	16,924	8,119
	Accruals and deferred income	56,840	151,283
		<u>2,595,234</u>	<u>2,834,840</u>
<b>9</b>	<b>Provisions for liabilities</b>		
	<b>The deferred tax asset (included in debtors, note 7) is made up as follows:</b>		
		<b>2015</b>	
		<b>£</b>	
	Balance at 1 April 2014	(33,719)	
	Profit and loss account	17,437	
	Balance at 31 March 2015	<u>(16,282)</u>	
		<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Tax losses available	<u>(16,282)</u>	<u>(33,719)</u>
<b>10</b>	<b>Share capital</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	<b>Allotted, called up and fully paid</b>		
	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 2015

### 11 Statement of movements on profit and loss account

	<b>Profit and loss account £</b>
Balance at 1 April 2014	(159,574)
Profit for the year	72,000
	<u>          </u>
Balance at 31 March 2015	<u>(87,574)</u>

### 12 Reconciliation of movements in Shareholders' funds

	<b>2015 £</b>	<b>2014 £</b>
Profit for the financial year	72,000	60,608
Opening Shareholders' funds	290,426	229,818
	<u>          </u>	<u>          </u>
Closing Shareholders' funds	<u>362,426</u>	<u>290,426</u>

### 13 Financial commitments

At 31 March 2015 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2016:

	<b>Land and buildings</b>	
	<b>2015 £</b>	<b>2014 £</b>
Operating leases which expire:		
Between two and five years	24,000	13,250
	<u>          </u>	<u>          </u>

### 14 Directors' remuneration

	<b>2015 £</b>	<b>2014 £</b>
Remuneration for qualifying services	53,000	51,000
	<u>          </u>	<u>          </u>

# VERIGOLD JEWELLERY (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2015

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### 15 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was:

	<b>2015</b>	<b>2014</b>
	<b>Number</b>	<b>Number</b>
Director	1	1
Administrative	5	3
	<u>6</u>	<u>4</u>
	<u><u>6</u></u>	<u><u>4</u></u>
<b>Employment costs</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Wages and salaries	251,674	178,443
Social security costs	28,450	20,645
	<u>280,124</u>	<u>199,088</u>
	<u><u>280,124</u></u>	<u><u>199,088</u></u>

### 16 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.

### 17 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 2015

		2015		2014
	£	£	£	£
<b>Turnover</b>				
Sales		7,851,672		4,065,699
<b>Cost of sales</b>				
Opening stock of finished goods	1,105,949		549,836	
Purchases	6,192,718		4,012,512	
Other direct costs	106,522		67,357	
Duty and clearance costs	34,791		38,569	
Freight and Carriage costs	27,939		19,576	
Discounts allowed	456,109		186,878	
Profit/loss on foreign currency	392,784		(81,748)	
	<u>8,316,812</u>		<u>4,792,980</u>	
Closing stock of finished goods	(1,079,791)		(1,105,949)	
		<u>(7,237,021)</u>		<u>(3,687,031)</u>
<b>Gross profit</b>	7.83%	614,651	9.31%	378,668
<b>Distribution costs</b>	78,802		2,573	
<b>Administrative expenses</b>	<u>446,412</u>		<u>299,746</u>	
		<u>(525,214)</u>		<u>(302,319)</u>
<b>Operating profit</b>		<u>89,437</u>		<u>76,349</u>

# VERIGOLD JEWELLERY (UK) LIMITED

## SCHEDULE OF DISTRIBUTION COSTS AND ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED 31 MARCH 2015

	2015 £	2014 £
<b>Distribution costs</b>		
Advertising & marketing	78,802	2,573
	<u>78,802</u>	<u>2,573</u>
<b>Administrative expenses</b>		
Wages and salaries (excl. N.I.)	198,674	127,443
Directors' remuneration	53,000	51,000
Employer's N.I. contributions	28,450	20,645
Rent	23,434	16,733
Rates	10,135	7,085
Insurance	17,084	4,119
Medical insurance	1,700	2,506
Light and heat	902	796
Relocation costs	15,800	-
Repairs and maintenance	4,420	649
Printing, postage and stationery	7,702	2,194
Telephone	7,132	5,953
Computer running costs	3,879	1,505
Travelling expenses	34,556	34,483
Entertaining - non allowable	8,793	5,920
Legal and professional fees	4,731	719
Audit fees	7,150	6,751
Bank charges	2,043	2,050
Sundry expenses	8,920	5,813
Charitable donations - other	100	-
Subscriptions - allowable	664	530
Depreciation on FF & E	4,116	1,436
Depreciation on computer equipment	3,027	1,416
	<u>446,412</u>	<u>299,746</u>