

ANNUAL RETURN COPY

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HAMILTON & RAY LIMITED

Accounts

for the year ended 31st May 1989



HAMILTON & RAY LIMITEDREPORT OF THE DIRECTORS

The Directors present their Report and the Audited Financial Statements of the Company and the Group for the year ended 31st May 1989.

PRINCIPAL ACTIVITIES

The principal activities of the Group in the year under review were those of wholesalers and retailers of Ladies Fashionwear and Property Developers.

FINANCIAL REVIEW

A summary of the results of the year's trading is given on page 3 of the Financial Statements.

DIVIDENDS AND RESERVES

The Directors do not propose to pay a Dividend for the year and no amounts have been transferred to Capital Reserve.

FUTURE DEVELOPMENTS

In the years immediately ahead the Directors believe that there is scope for the further development of the existing activities of the Group.

DIRECTORS AND DIRECTORS' INTERESTS

The Directors in office during the year and their beneficial interests in the Issued Ordinary Share Capital throughout the year were as follows:

Ordinary £1 Shares

Mr. D. Hamilton	10,200
Miss G.F. Ray	9,800

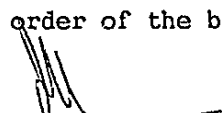
FIXED ASSETS

Movements of Fixed Assets during the year are recorded in the notes to the Accounts.

AUDITORS

The Auditors, Messrs. Landau Morley, will be proposed for re-appointment in accordance with Section 384(1) of the Companies Act 1985.

By order of the board

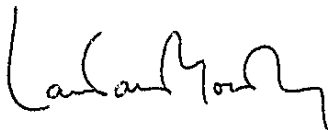

D. HAMILTON
CHAIRMAN

30th May 1990

Report of the Auditors to the Members of HAMILTON & RAY LIMITED

We have audited the Financial Statements on pages 3 to 15 in accordance with Auditing Standards.

In our opinion the Financial Statements give a true and fair view of the state of affairs of the Group and Company at 31st May 1989 and of the result and source and application of funds for the year ended on that date and have been properly prepared in accordance with the Companies Act 1985.



LANDAU MORLEY
Chartered Accountants

Lanmor House,
370/386 High Road,
Wembley,
Middlesex. HA9 6AX

30th May 1990

HAMILTON & RAY LIMITED AND ITS SUBSIDIARIESCONSOLIDATED PROFIT AND LOSS ACCOUNTfor the year ended 31st May 1989

	<u>Notes</u>	<u>1989</u>	<u>1988</u>
Turnover	2	3,805,924	3,916,580
Cost of Sales		<u>2,820,189</u>	<u>2,762,514</u>
Gross Profit		985,735	1,154,066
Distribution and Selling Costs		641,998	746,569
Administrative Expenses		342,028	363,986
Other Operating Charges		<u>86,403</u>	<u>67,636</u>
		<u>1,070,429</u>	<u>1,178,191</u>
<u>Operating Loss</u>	3	(84,694)	(24,125)
Income from Investments		709	310
Other Income		<u>109,783</u>	<u>142,428</u>
		<u>110,492</u>	<u>142,738</u>
		25,798	118,613
Interest payable	5	<u>69,531</u>	<u>111,976</u>
(Loss)/Profit on Ordinary Activities before Taxation		(43,733)	6,537
Taxation	6	<u>4,296</u>	<u>(11,361)</u>
		(39,437)	(4,724)
Minority Interest		<u>293</u>	<u>(1,094)</u>
Loss for the year	7	(39,144)	(5,818)
Retained Profit brought forward	8	<u>1,808,184</u>	<u>1,814,002</u>
Retained Profit carried forward	8	£1,769,040 =====	£1,808,184 =====

The attached notes form part of these financial statements.

HAMILTON & RAY LIMITED AND ITS SUBSIDIARIES

Page 4

CONSOLIDATED BALANCE SHEET

as at 31st May 1989

	Notes	1989	1988
<u>Fixed Assets</u>			
Tangible Assets	9 (a)	845,913	849,982
Investment Properties	10	6,500,000	6,500,000
Quoted Investments	11	<u>3,118</u>	<u>3,118</u>
		7,349,031	7,353,100
<u>Current Assets</u>			
Stock	13	1,058,206	1,545,883
Debtors	14	665,679	591,159
Cash at Bank and in Hand		<u>43,975</u>	<u>79,047</u>
		1,767,860	2,216,089
<u>Creditors: Amounts falling due within one year</u>	15	<u>2,718,686</u>	<u>2,348,839</u>
<u>Net Current Liabilities</u>		<u>(950,826)</u>	<u>(132,750)</u>
Total Assets Less Current Liabilities		6,398,205	7,220,350
<u>Creditors: Amounts falling due after more than one year</u>	16	<u>40,000</u>	<u>40,000</u>
		6,358,205	7,180,350
<u>Provision for Liabilities and Charges</u>			
Deferred Taxation	17	<u>45,121</u>	<u>49,593</u>
		£6,313,084	£7,130,757
		=====	=====
<u>Capital and Reserves</u>			
Share Capital	18	20,000	20,000
Capital Reserve		272	272
Revaluation Reserve	19	4,510,421	5,288,657
Profit and Loss Account		1,769,040	1,808,184
Minority Interest		<u>13,351</u>	<u>13,644</u>
		£6,313,084	£7,130,757
		=====	=====

D. HAMILTON

G. F. RAY

Directors

30th May 1990

The attached notes form part of these financial statements.

HAMILTON & RAY LIMITEDBALANCE SHEETas at 31st May 1989

	Notes	1989	1988
<u>Fixed Assets</u>			
Tangible Assets	9(a)	706,122	715,570
Investment Properties	10	6,500,000	6,500,000
Quoted Investments	11	3,118	3,118
Investment in Subsidiary Companies	12	<u>197,150</u>	<u>197,150</u>
		7,406,390	7,415,838
<u>Current Assets</u>			
Stock	13	64,868	411,478
Debtors	14	96,460	63,796
Cash at Bank and in Hand		<u>1,042</u>	<u>13,659</u>
		162,370	488,933
<u>Creditors: Amounts falling due within one year</u>	15	<u>1,504,235</u>	<u>1,050,981</u>
<u>Net Current Liabilities</u>		(1,341,865)	(562,048)
<u>Total Assets Less Current Liabilities</u>		6,064,525	6,853,790
<u>Creditors: Amounts falling due after more than one year</u>	16	<u>40,000</u>	<u>40,000</u>
		6,024,525	6,813,790
<u>Provision for Liabilities and Charges</u>			
Deferred Taxation	17	<u>28,442</u>	<u>29,131</u>
		£5,996,083	£6,784,659
		=====	=====
<u>Capital and Reserves</u>			
Share Capital	18	20,000	20,000
Capital Reserve		272	272
Revaluation Reserve	19	4,510,421	5,288,657
Profit and Loss Account		<u>1,465,390</u>	<u>1,475,730</u>
		£5,996,083	£6,784,659
		=====	=====

D. HAMILTON

G.F. RAY

Directors

30th May 1990

The attached notes form part of these financial statements.

HAMILTON & RAY LIMITED AND ITS SUBSIDIARIESCONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDSfor the year ended 31st May 1989

	<u>1989</u>	<u>1988</u>
Funds (consumed)/generated by operations		
(Loss)/Profit on Ordinary Activities before Taxation	(43,733)	6,637
Adjustment for items not involving the movement of funds:		
Depreciation	39,130	36,487
(Profit)/Loss on Sale of Fixed Assets	<u>(136)</u>	<u>824</u>
	<u>38,994</u>	<u>37,311</u>
	(4,739)	43,948
<u>Funds from Other Sources</u>		
Proceeds from Sale of Fixed Assets	<u>4,616</u>	<u>1,700</u>
	(123)	45,648
<u>Application of Funds</u>		
Corporation Tax Paid	339	12,744
Purchase of Fixed Assets	<u>817,777</u>	<u>108,744</u>
	<u>818,116</u>	<u>121,488</u>
	£(818,239)	£(75,840)
	=====	=====
<u>Change in Working Capital</u>		
Stock (decrease)/increase	(487,677)	(197,191)
Debtors increase/(decrease)	74,520	(73,626)
Creditors decrease/(increase)	<u>50,282</u>	<u>(83,025)</u>
	(362,875)	(353,842)
<u>Movement in net liquid funds:</u>		
Bank Overdrafts (increase)/decrease	(420,292)	452,814
Cash at Bank in Hand (decrease)	<u>(35,072)</u>	<u>(174,812)</u>
	<u>(455,364)</u>	<u>278,002</u>
	£(818,239)	£(75,840)
	=====	=====

HAMILTON & RAY LIMITED AND ITS SUBSIDIARIESNOTES TO THE ACCOUNTSfor the year ended 31st May 19891. Accounting Policies(a) Basis of accounting

The accounts have been prepared under the historical cost convention.

(b) Turnover

Turnover represents net invoiced sales of goods, excluding Value Added Tax, and proceeds on disposal of Trading Properties.

(c) Trading Properties

Trading Properties are stated at the lower of cost and net realisable value. Cost comprises direct expenditure, finance costs and applicable outgoings.

(d) Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold Properties	- 2% on cost
Plant, Machinery and Equipment	- 20% on written down value
Fixtures and Fittings	- 15% on written down value
Motor Vehicles	- 25% on written down value

Other than one Subsidiary Company, (D.M. Manders Limited), which has provided for depreciation at 2% on cost, depreciation has not been provided on the other Freehold Land and Buildings in the Group, as it is the Group's policy to maintain its properties in good condition by a programme of repair and refurbishment. This has the effect of extending the physical and economic life of the properties, thereby rendering any charge for depreciation immaterial.

(e) Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

(f) Deferred Taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.

(g) Foreign Currency Translation

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating loss.

(h) Basis of Consolidation

The Consolidated Accounts include Audited Accounts of all Subsidiaries, except as disclosed in Note 12.

HAMILTON & RAY LIMITED AND ITS SUBSIDIARIESNOTES TO THE ACCOUNTSfor the year ended 31st May 19892. Turnover

An analysis of turnover is given below:

	<u>1989</u>		<u>1988</u>	
	<u>Turnover</u>	<u>Gross Profit/(Loss)</u>	<u>Turnover</u>	<u>Gross Profit/(Loss)</u>
Fashionwear	3,270,447	1,055,914	3,543,301	1,120,407
Property	<u>535,477</u>	<u>(70,179)</u>	<u>373,279</u>	<u>33,659</u>
	£3,805,924	£985,735	£3,916,580	£1,154,066
	=====	=====	=====	=====

3. Operating Loss

The operating loss is stated after charging:

	<u>1989</u>	<u>1988</u>
Depreciation of Tangible Fixed Assets	39,130	36,487
Staff costs (note 4)	349,957	404,146
Auditors' remuneration	10,000	14,334
	=====	=====
and before crediting:		
Interest Receivable	7,244	23,983
Rents Receivable	102,539	99,025
	=====	=====

4. Directors and Employees

(a) Staff costs:		
Wages and salaries	319,253	371,523
Social security costs	30,704	32,123
Other pension costs	-	500
	<u>£349,957</u>	<u>£404,146</u>
	=====	=====

(b) The average weekly number of persons (including Directors) employed by the group during the period was:

Sales and distribution	18	33
Administration	<u>21</u>	<u>17</u>
	39	50
	==	==

HAMILTON & RAY LIMITED AND ITS SUBSIDIARIESNOTES TO THE ACCOUNTSfor the year ended 31st May 1989

	<u>1989</u>	<u>1988</u>
(4) <u>Directors and Employees</u> - cont'd		

(c) Staff costs include the following remuneration in respect of Directors:

Fees as Directors	£5,720 =====	£5,720 =====
Emoluments of the Chairman	£3,120 =====	£3,120 =====

The table below shows the number of Directors (excluding the Chairman) whose emoluments were within each of the ranges stated.

£ 0 - £ 5,000	1 ==	1 ==
---------------	---------	---------

No employees had emoluments amounting to £30,000 or greater.

5. Interest Payable

Interest on Overdue Taxation	-	593
Bank loans and overdrafts	8,108	6,791
Mortgage	3,500	3,500
Retirement Benefits Scheme	57,221	101,092
Other Interest	<u>702</u>	<u>-</u>
	£69,531 =====	£111,976 =====

6. Taxation

Underprovision in respect of previous year	-	(12,823)
Deferred taxation computed at 35%	4,472	1,546
Irrecoverable tax credit on dividends	<u>(176)</u>	<u>(84)</u>
	£4,296 =====	£(11,361) =====

HAMILTON & RAY LIMITED AND ITS SUBSIDIARIESNOTES TO THE ACCOUNTSfor the year ended 31st May 1989

	<u>1989</u>	<u>1988</u>
7. <u>Loss for the year:</u>		
Dealt with in the Accounts of the Holding Company	(10,340)	175,214
Dealt with in the Accounts of the Subsidiary Companies	(28,804)	(181,032)
	£(39,144) =====	£(5,818) =====
8. <u>Retained Profit brought forward:</u>		
By the Holding Company	1,475,730	1,300,516
By the Subsidiary Companies	<u>332,454</u>	<u>513,604</u>
As previously reported	1,808,184	1,814,120
Prior year adjustment	<u>-</u>	<u>(118)</u>
	£1,808,184 =====	£1,814,002 =====
<u>Retained Profit carried forward:</u>		
By the Holding Company	1,465,390	1,475,730
By the Subsidiary Companies	<u>303,650</u>	<u>332,454</u>
	£1,769,040 =====	£1,808,184 =====

HAMILTON & RAY LIMITED AND ITS SUBSIDIARIESNOTES TO THE ACCOUNTSfor the year ended 31st May 19899. Tangible Fixed Assets9a. Group

	<u>Freehold Land and Building</u>	<u>Long Leasehold Properties</u>	<u>Short Leasehold Properties</u>	<u>Plant, Machinery and Equipment</u>	<u>Fixtures and Fittings</u>	<u>Motor Vehicles</u>	<u>Life Assurance Policies</u>	<u>Total</u>
<u>Cost</u>								
At 1st June 1988	129,900	746,857	14,028	136,166	119,294	44,423	25,816	1,216,484
Additions	4,113	-	-	5,037	621	28,393	1,377	39,541
Disposals	-	-	-	-	-	(17,460)	-	(17,460)
At 31st May 1989	<u>£134,013</u>	<u>£746,857</u>	<u>£14,028</u>	<u>£141,203</u>	<u>£119,915</u>	<u>£55,356</u>	<u>£27,193</u>	<u>£1,238,565</u>
<u>Depreciation</u>								
At 1st June 1988	987	137,653	11,965	102,329	84,190	29,378	-	366,502
Charge for the year	987	14,938	281	7,775	5,411	9,738	-	39,130
Eliminated in respect of Disposals	-	-	-	-	-	(12,980)	-	(12,980)
At 31st May 1989	<u>£1,974</u>	<u>£152,591</u>	<u>£12,246</u>	<u>£110,104</u>	<u>£89,601</u>	<u>£26,136</u>	<u>£ -</u>	<u>£392,652</u>
<u>Net Book Value</u>								
At 31st May 1989	<u>£132,039</u>	<u>£594,266</u>	<u>£1,782</u>	<u>£31,099</u>	<u>£30,314</u>	<u>£29,220</u>	<u>£27,193</u>	<u>£845,913</u>
At 31st May 1988	<u>£128,913</u>	<u>£609,204</u>	<u>£2,063</u>	<u>£33,837</u>	<u>£35,104</u>	<u>£15,015</u>	<u>£25,816</u>	<u>£849,982</u>

HAMILTON & RAY LIMITED AND ITS SUBSIDIARIESNOTES TO THE ACCOUNTSfor the year ended 31st May 19899. Tangible Fixed Assets9a. Company

	<u>Freehold Land and Buildings</u>	<u>Long Leasehold Properties</u>	<u>Life Assurance Policies</u>	<u>Total</u>
<u>Cost</u>				
At 1st June 1988	80,550	746,857	25,816	853,223
Additions	<u>4,113</u>	<u>-</u>	<u>1,377</u>	<u>5,490</u>
At 31st May 1989	<u>£84,663</u> =====	<u>£746,857</u> =====	<u>£27,193</u> =====	<u>£858,713</u> =====
<u>Depreciation</u>				
At 1st June 1988	-	137,653	-	137,653
Charge for the year	<u>-</u>	<u>14,938</u>	<u>-</u>	<u>14,938</u>
At 31st May 1989	<u>£ -</u> =====	<u>£152,591</u> =====	<u>£ -</u> =====	<u>£152,591</u> =====
<u>Net book value</u>				
At 31st May 1989	<u>£84,663</u> =====	<u>£594,266</u> =====	<u>£27,193</u> =====	<u>£706,122</u> =====
At 31st May 1988	<u>£80,550</u> =====	<u>£609,204</u> =====	<u>£25,816</u> =====	<u>£715,570</u> =====

9b. Life Assurance Policies

The cost of Life Assurance Policies represents premiums paid to date. The surrender value of the Policies as at 31st May 1989 was £25,793 (1988 £23,010).

1989 1988

10. Investment PropertiesGroup and Company

Valuation at 1st June 1988	6,500,000	3,000,000
Additions	778,236	-
Transfer from Tangible Fixed Assets	-	177,626
Revaluation Reserve	<u>(778,236)</u>	<u>3,322,374</u>
Valuation at 31st May 1989	<u>£6,500,000</u> =====	<u>£6,500,000</u> =====

The Investment Properties were valued as at 31st May 1989 by the Directors.

HAMILTON & RAY LIMITED AND ITS SUBSIDIARIESNOTES TO THE ACCOUNTSfor the year ended 31st May 1989

	<u>1989</u>	<u>1988</u>
11. <u>Quoted Investments</u>		
<u>Group and Company</u>		
Investments listed on recognised stock exchange		
<u>Cost</u>		
At 1st June 1988 and 31st May 1989	£3,118 =====	£3,118 =====
Market Value	£30,291 =====	£17,506 =====
12. <u>Investment in Subsidiary Companies</u>		
Shares at Cost	£197,150 =====	£197,150 =====
<u>Subsidiaries held directly:</u>	<u>Class of Shares Held</u>	<u>Percentage Shareholdings</u>
Jersey Masters Limited	Ordinary	100
Embassa (London) Limited	Ordinary	100
Continental Couture (London) Limited	Ordinary	100
Jerseykins Limited	Ordinary	100
Roma-Pari Limited	Ordinary	100
David Hamilton (London) Limited	Ordinary	100
Treotto Limited	Ordinary	100
Treotto Limited	Cumulative Preference	100
Hamoray Limited	Ordinary	100
Jersey Masters (F.E.) Limited	Ordinary	100
E.H.S. Limited	Ordinary	100
E.H.S. Limited	Non-Cumulative Preference	100
Fabiani Limited	Ordinary	100
<u>Subsidiaries held through Jersey Masters Limited:</u>		
D.M. Manders Limited	Deferred Ordinary	95
Marylind Limited	Ordinary	100
Marylind Limited	Non-Cumulative Preference	100
Film Fashions Limited	Ordinary	100
Maggy London of New York Limited	Ordinary	100

Jersey Masters (F.E.) Limited has not been consolidated in view of the immaterial amounts involved and the fact that the subsidiary did not trade during the year.

The Consolidated Accounts include the Accounts of D.M. Manders Limited for the year ended 19th May 1989. There were no abnormal transactions between 20th May 1989 and 31st May 1989.

HAMILTON & RAY LIMITED AND ITS SUBSIDIARIESNOTES TO THE ACCOUNTSfor the year ended 31st May 1989

	<u>The Group</u>		<u>The Company</u>	
	<u>1989</u>	<u>1988</u>	<u>1989</u>	<u>1988</u>
13. <u>Stock</u>				
Trading Properties	64,868	411,478	64,868	411,478
Finished Goods	<u>993,338</u>	<u>1,134,405</u>	<u>-</u>	<u>-</u>
	£1,058,206	£1,545,883	£64,686	£411,478
	=====	=====	=====	=====
14. <u>Debtors</u>				
Due within one year:				
Trade Debtors	531,464	439,267	-	-
Other Debtors	112,997	81,289	96,460	63,242
Prepayments	<u>21,218</u>	<u>70,603</u>	<u>-</u>	<u>554</u>
	£665,679	£591,159	£96,460	£63,796
	=====	=====	=====	=====
15. <u>Creditors: Amounts falling due within one year:</u>				
Trade Creditors	1,145,638	1,051,614	-	-
National Insurance and Other Taxes	30,201	46,595	-	-
Other Creditors	449,987	623,280	102,767	91,838
Amounts due to Group Companies	-	-	425,513	494,412
Accruals	<u>142,968</u>	<u>97,587</u>	<u>93,301</u>	<u>26,276</u>
	1,768,794	1,819,076	621,581	612,526
Bank Overdrafts	949,892	529,600	882,654	438,455
Corporation Tax	<u>-</u>	<u>163</u>	<u>-</u>	<u>-</u>
	£2,718,686	£2,348,839	£1,504,235	£1,050,981
	=====	=====	=====	=====

The Bank Overdraft of the Company is secured by a Certificate of Pledge on all goods and charges on the Long Leasehold Properties.

19891988

16. Creditors: Amounts falling due after more than one year:

Group and Company

This represents a Long Term Mortgage that is repayable in September 1994. It is secured by a Fixed Charge on part of the Leasehold Properties of the Company.

£40,000
=====

£40,000
=====

HAMILTON & RAY LIMITED AND ITS SUBSIDIARIESNOTES TO THE ACCOUNTSfor the year ended 31st May 1989

	<u>1989</u>	<u>1988</u>
17. <u>Deferred Taxation</u>		
The amount provided and the amount unprovided for deferred taxation were as follows:		
	<u>Amount provided</u>	<u>Amount Unprovided</u>
<u>Group</u>		<u>Amount Provided</u>
Accelerated capital allowances	45,121	49,593
Revaluation of Property	- 1,578,000	- 1,850,000
	<u>£45,121</u>	<u>£49,593</u>
	<u>=====</u>	<u>=====</u>
<u>Company</u>		
Accelerated capital allowances	28,442	29,131
Revaluation of Property	- 1,578,000	- 1,850,000
	<u>£28,442</u>	<u>£29,131</u>
	<u>=====</u>	<u>=====</u>
18. <u>Share Capital</u>		
<u>Authorised, Allotted and Fully Paid</u>		
Ordinary Shares of £1 each	£20,000	£20,000
	<u>=====</u>	<u>=====</u>
19. <u>Revaluation Reserve</u>		
<u>Group and Company</u>		
Balance brought forward at 1st June 1988	5,288,657	1,966,283
Revaluation of Investment Properties	<u>(778,236)</u>	<u>3,322,374</u>
Balance carried forward at 31st May 1989	<u>£4,510,421</u>	<u>£5,288,657</u>
	<u>=====</u>	<u>=====</u>
20. <u>Contingent Liability</u>		
The Company has given an Unlimited Guarantee to its bankers on behalf of its Subsidiary, Jersey Masters Limited.		