

Company Registration No. 895642 (England and Wales)

**INTERNATIONAL CLOTHING DESIGNS
(HOLDINGS) LIMITED**

DIRECTORS' REPORT AND GROUP ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2000



INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	R.A. Caring J. A. Macaulay C. D.'Cruze
Secretary	J. A. Macaulay
Company number	895642
Registered office	26-28 Conway Street London W1T 6BQ
Business address	26-28 Conway Street London W1T 6BQ
Auditors	H.W. Fisher & Company Acre House 11-15 William Road London NW1 3ER
Principal Bankers	HSBC Bank Plc PO Box 648 Poultry & Prince's Street London EC2P 2BX

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

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INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2000

The directors present their report and group accounts for the year ended 31 July 2000.

Principal activities

The principal activity of the group continues to be the sale and distribution of clothing and accessories.

Review of business

The results are viewed by the Board of Directors as satisfactory in the light of difficult trading conditions in the retail sector generally.

The directors believe that the acquisition of the Amanda Wakeley group and the trade and assets of Ronald Joyce Limited during the year will both enhance the group's future performance and strengthen market presence.

Results and dividends

The group profit for the year after taxation and minority interests amounted to £97,717.

Directors and their interests

The directors at 31 July 2000 and their beneficial interests in the shares of the company and other group companies were:

Ordinary shares of £1 each

	31 July 2000	1 August 1999
R.A.Caring	9,998	9,998
J.A. Macaulay	-	-
C. D'Cruze	-	-

Redeemable preference shares of £1 each

	31 July 2000	1 August 1999
R.A.Caring	1,655,000	1,655,000
J.A. Macaulay	-	-
C. D'Cruze	-	-

Employee involvement

Within the bounds of commercial confidentiality, information is disseminated to all members of staff about matters that affect the progress of the group and are of interest and concern to them as employees.

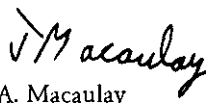
Disabled persons

Disabled persons are employed by the group when they appear to be suited to a particular position. The aptitude and abilities of disabled persons are more easily met in certain aspects of the group's business and every effort is made to ensure that they are given full and fair consideration.

Auditors

A resolution proposing the reappointment of H.W. Fisher & Company as auditors will be put to the members at the next Annual General Meeting.

On behalf of the Board


J. A. Macaulay

Director

Dated: 20/12/2000

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the group and of the profit or loss of the group for that period.

In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts on pages 4 to 23 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's and the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's and the group's affairs and the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

H.W. Fisher & Company

H.W. Fisher & Company

Chartered Accountants

Registered Auditor

Acre House

11-15 William Road

London

NW1 3ER

Dated: *20 December 2000*

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2000

	Notes	2000 £	1999 £
Turnover			
Continuing operations		102,382,324	82,577,304
Acquisitions		<u>376,164</u>	<u>-</u>
	2	102,758,488	82,577,304
Cost of sales		<u>(81,463,536)</u>	<u>(66,880,925)</u>
Gross profit		21,294,952	15,696,379
Distribution costs		(1,316,979)	(358,605)
Administrative expenses		(18,830,985)	(13,366,352)
Other operating income		<u>-</u>	<u>25,395</u>
Operating profit/(loss)	4		
Continuing operations		1,194,004	1,996,817
Acquisitions		<u>(47,016)</u>	<u>-</u>
		1,146,988	1,996,817
Other income	7	300,158	204,137
Interest payable and similar charges	8	<u>(1,221,151)</u>	<u>(910,532)</u>
Profit on ordinary activities before taxation		225,995	1,290,422
Tax on profit on ordinary activities	9	<u>(219,035)</u>	<u>(93,109)</u>
Profit on ordinary activities after taxation		6,960	1,197,313
Minority interests		<u>90,757</u>	<u>(57,463)</u>
Profit for the financial year	10	97,717	1,139,850
Retained losses brought forward		807,692	(336,086)
Currency translation differences		<u>34,074</u>	<u>3,928</u>
Retained profit carried forward		<u><u>939,483</u></u>	<u><u>807,692</u></u>

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

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 JULY 2000

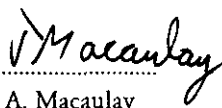
	2000	1999
	£	£
Profit for the financial year	97,717	1,139,850
Currency translation differences on foreign currency net investments	34,074	3,928
Total recognised gains and losses relating to the year	<u>131,791</u>	<u>1,143,778</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

BALANCE SHEETS AS AT 31 JULY 2000

	Notes	Group 2000 £	1999 £	Company 2000 £	1999 £
Fixed assets					
Intangible assets	11	2,070,966	1,977,034	-	-
Tangible assets	12	7,615,292	6,973,036	5,104,389	5,009,061
Investments	13	10,000	14,830	6,169,384	5,751,289
		<u>9,696,258</u>	<u>8,964,900</u>	<u>11,273,773</u>	<u>10,760,350</u>
Current assets					
Stocks	14	18,972,445	14,702,607	10,125,387	6,666,294
Debtors	15	15,382,962	11,314,577	7,029,708	5,348,638
Cash at bank and in hand		6,528,636	5,430,294	459,061	518,158
		<u>40,884,043</u>	<u>31,447,478</u>	<u>17,614,156</u>	<u>12,533,090</u>
Creditors: amounts falling due within one year	16	(40,729,987)	(30,847,446)	(20,370,060)	(14,804,004)
Net current assets		<u>154,056</u>	<u>600,032</u>	<u>(2,755,904)</u>	<u>(2,270,914)</u>
Total assets less current liabilities		<u>9,850,314</u>	<u>9,564,932</u>	<u>8,517,869</u>	<u>8,489,436</u>
Creditors: amounts falling due after more than one year	17	(4,146,597)	(3,945,638)	(3,996,899)	(3,810,407)
Provisions for liabilities and charges	18	(54,535)	(11,146)	-	-
		<u>5,649,182</u>	<u>5,608,148</u>	<u>4,520,970</u>	<u>4,679,029</u>
Capital and reserves					
Called up share capital	20	4,464,998	4,464,998	4,464,998	4,464,998
Profit and loss account		939,483	807,692	55,972	214,031
		<u>5,404,481</u>	<u>5,272,690</u>	<u>4,520,970</u>	<u>4,679,029</u>
Minority interests	21	244,701	335,458	-	-
		<u>5,649,182</u>	<u>5,608,148</u>	<u>4,520,970</u>	<u>4,679,029</u>
Equity interests		<u>1,194,182</u>	<u>1,153,148</u>	<u>65,970</u>	<u>224,029</u>
Non-equity interests		<u>4,455,000</u>	<u>4,455,000</u>	<u>4,455,000</u>	<u>4,455,000</u>
		<u>5,649,182</u>	<u>5,608,148</u>	<u>4,520,970</u>	<u>4,679,029</u>

The accounts were approved by the Board on 20/12/2000


J. A. Macaulay
Director

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2000

	Notes	2000 £	1999 £
Net cash outflow from operating activities	23	(3,223,122)	(1,768,833)
Returns on investments and servicing of finance			
Interest received	284,028	204,137	
Interest paid	(1,198,057)	(900,321)	
Interest element of hire purchase and finance lease rentals	(23,094)	(10,211)	
Net cash (outflow)/inflow from returns on investments and servicing of finance		(937,123)	706,395
Corporation tax		(81,657)	(35,694)
Capital expenditure and financial investment			
Payments to acquire intangible fixed assets	(282,651)	-	
Payments to acquire tangible fixed assets	(1,703,910)	(5,958,672)	
Receipts from sales of tangible fixed assets	106,937	188,697	
Receipts from sales of investments	4,830	25,974	
Net cash outflow from capital expenditure and financial investment		(1,874,794)	(5,744,001)
Acquisitions and disposals			
Purchase of subsidiary undertakings	(2)	(3,031,971)	
Net cash acquired	5,147	266,057	
Net cash outflow on acquisitions and disposals		5,145	(2,765,914)
Net cash outflow before financing		(6,111,551)	(11,020,837)
Financing			
Issue of preference share capital	-	2,800,000	
Repayment of long term bank loan	(403,701)	(165,000)	
New long term bank loan	686,000	3,300,000	
Capital element of hire purchase and finance lease rentals	(52,689)	(70,118)	
Net cash inflow from financing		229,610	5,864,882
Decrease in cash	24	(5,881,941)	(5,155,955)

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2000

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

1.2 Basis of consolidation

The consolidated profit and loss account and balance sheet include the accounts of the company and its subsidiary undertakings made up to 31 July 2000. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from, the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.3 Turnover

Turnover represents the invoiced value of goods sold and services provided net of VAT and discounts given.

1.4 Goodwill

Goodwill arising on acquisitions made after 1 August 1993 is amortised on a straight line basis over its expected useful economic life of 10 years. Goodwill on previous acquisitions is amortised over 15 years.

1.5 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings	2% Straight line
Leasehold property	Over the period of the lease
Plant and machinery	25% Reducing balance and 10% - 33% straight line
Fixtures, fittings & equipment	25% Reducing balance and 25% - 33% straight line
Motor vehicles	25% Reducing balance and 33% straight line

1.7 Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts are treated as if they had been purchased outright at the present value of the rentals payable, less finance charges, over the primary period of the agreements. The corresponding obligations under these agreements are included in creditors. The finance element of the rentals payable is charged to the profit and loss account so as to produce a constant rate of charge on the outstanding balance in each period.

Rental payments under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

1.8 Investments

Fixed asset investments are stated at cost less any provision for impairment in value.

1.9 Stock

Stock is stated at the lower of cost and net realisable value. Cost includes an appropriate proportion of manufacturing overheads.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2000

1.10 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.

1.11 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

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

Profits and losses of overseas subsidiaries and associated companies are translated into sterling at the closing rate of exchange at the year end. Assets and liabilities in foreign currencies are translated at the year end rates. Exchange differences on the opening net assets and results for the year are dealt with through reserves.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity.

Segmental analysis by geographical area

The analysis by geographical area of the group's turnover is set out as below:

	2000 £	1999 £
Geographical segment		
United Kingdom	95,828,001	76,922,761
Rest of Europe	5,833,440	136,260
Rest of World	1,097,047	5,518,283
	<u>102,758,488</u>	<u>82,577,304</u>

3 Cost of sales and net operating expenses

The total figures for continuing operations in 2000 include the following amounts relating to acquisitions: cost of sales £221,407, distribution costs £nil, administrative expenses £201,773 and other operating income £nil.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2000

4 Operating profit	2000	1999
	£	£
Operating profit is stated after charging:		
Amortisation of intangible assets	334,700	313,550
Depreciation of owned tangible assets	1,026,822	553,536
Depreciation of tangible fixed assets held under finance leases and hire purchase contracts	64,296	67,472
Operating lease rentals		
- Plant and machinery	18,476	16,832
- Other assets	640,576	556,882
Auditors' remuneration (company £11,750; 1999 : £11,750)	102,150	84,647
Remuneration of auditors for non-audit work	52,330	85,059
and after crediting:		
Rents receivable	-	25,395

5 Directors' emoluments	2000	1999
	£	£
Aggregate emoluments	354,342	142,660
Company contributions to defined contribution pension schemes	13,480	-
	<u>367,822</u>	<u>142,660</u>

Retirement benefits are accruing to 1 (1999 - 0) directors under defined contribution schemes.

Emoluments disclosed above include the following amounts paid to the highest paid director:

Aggregate emoluments	196,472	142,660
Company contributions to defined contribution pension schemes	13,480	-

6 Employees

Number of employees

The average weekly number of employees during the year was:

	2000	1999
	Number	Number
Selling, distribution and administration	422	329

Employment costs

	£	£
Wages and salaries	12,641,925	8,403,431
Social security costs	1,103,335	831,914
Other pension costs	130,749	55,838
	<u>13,876,009</u>	<u>9,291,183</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2000

7	Other income	2000	1999
		£	£
	Profit on disposal of tangible fixed assets	16,130	-
	Interest receivable and similar income	284,028	204,137
		<u>300,158</u>	<u>204,137</u>
8	Interest payable and similar charges	2000	1999
		£	£
	Interest payable on:		
	Loans from group undertakings	-	69,079
	Bank loans and overdrafts	1,108,879	752,490
	Other loans	74,372	78,752
	Finance lease and hire purchase contracts	23,094	10,211
	Amounts payable to factors	14,806	-
		<u>1,221,151</u>	<u>910,532</u>
9	Taxation	2000	1999
		£	£
	U.K. current year taxation		
	U.K. corporation tax at 30% (1999 - 30%)	132,500	92,000
	Overseas tax at 16%	17,146	(5,787)
	Deferred taxation	43,389	-
		<u>193,035</u>	<u>86,213</u>
	Prior years		
	U.K. Corporation tax	26,000	6,896
		<u>219,035</u>	<u>93,109</u>
10	(Loss)/profit for the financial year		
	As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these accounts. The (loss)/profit for the financial year is made up as follows:		
		2000	1999
		£	£
	Holding company's (loss)/profit for the financial year before provision against inter-company balances	(158,059)	29,513
		<u></u>	<u></u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2000

11 Intangible fixed assets Group

	Goodwill £	Trade Marks £	Total £
Cost			
At 1 August 1999	3,572,585	36,625	3,609,210
Additions	428,632	-	428,632
	<u>4,001,217</u>	<u>36,625</u>	<u>4,037,842</u>
At 31 July 2000			
Amortisation			
At 1 August 1999	1,605,525	26,651	1,632,176
Charge for year	332,937	1,763	334,700
	<u>1,938,462</u>	<u>28,414</u>	<u>1,966,876</u>
At 31 July 2000			
Net book value			
At 31 July 2000	<u>2,062,755</u>	<u>8,211</u>	<u>2,070,966</u>
At 31 July 1999	<u>1,967,060</u>	<u>9,974</u>	<u>1,977,034</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2000

12 Tangible fixed assets Group

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 August 1999	5,558,167	1,345,994	1,260,239	570,837	8,735,237
Additions	233,774	595,355	602,789	392,263	1,824,181
Disposals	-	(34,029)	(67,966)	(237,544)	(339,539)
At 31 July 2000	5,791,941	1,907,320	1,795,062	725,556	10,219,879
Depreciation					
At 1 August 1999	404,136	623,142	548,540	186,383	1,762,201
On disposals	(10,336)	(33,919)	(63,726)	(140,751)	(248,732)
Charge for the year	230,779	414,029	300,409	145,901	1,091,118
At 31 July 2000	624,579	1,003,252	785,223	191,533	2,604,587
Net book value					
At 31 July 2000	5,167,362	904,068	1,009,839	534,023	7,615,292
At 31 July 1999	5,154,031	722,852	711,699	384,454	6,973,036

The net book value of land and buildings comprises:

	2000 £	1999 £
Freeholds	4,554,668	4,559,755
Short leaseholds (under 50 years)	612,694	594,276
	5,167,362	5,154,031

Finance leases and hire purchase contracts

The net book value of tangible fixed assets includes an amount of £189,064 (1999 - £242,203) in respect of assets held under finance leases or hire purchase contracts.

There were no commitments for capital expenditure either authorised or contracted for at the balance sheet date.

Included in plant and machinery are £nil (1999 £118,722) of assets under the course of construction. No depreciation has been charged on these assets.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2000

Company	Freehold land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 August 1999	4,589,990	221,242	255,117	102,953	5,169,302
Additions	31,173	47,996	136,635	196,639	412,443
Disposals	-	-	-	(68,589)	(68,589)
At 31 July 2000	4,621,163	269,238	391,752	231,003	5,513,156
Depreciation					
At 1 August 1999	30,235	94,842	21,388	13,776	160,241
On disposals	-	-	-	(15,089)	(15,089)
Charge for the year	78,324	64,568	74,116	46,607	263,615
At 31 July 2000	108,559	159,410	95,504	45,294	408,767
Net book value					
At 31 July 2000	4,512,604	109,828	296,248	185,709	5,104,389
At 31 July 1999	4,559,755	126,400	233,729	89,177	5,009,061

Finance leases and hire purchase contracts

The net book value of tangible fixed assets includes an amount of £21,428 (1999 - £30,019) in respect of assets held under finance leases or hire purchase contracts.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2000

13 Fixed asset investments Group

	Unlisted Investments £
Cost	
At 1 August 1999	64,930
Disposals	(4,830)
At 31 July 2000	60,100
Provisions for diminution in value	
At 1 August 1999 and at 31 July 2000	50,100
Net book value	
At 31 July 2000	10,000
At 31 July 1999	14,830

Company

	Unlisted investments £	Shares and loans in subsidiary undertakings £	Total £
Cost			
At 1 August 1999	60,000	5,741,388	5,801,388
Additions	-	802,651	802,651
Repayment of loans	-	(384,555)	(384,555)
At 31 July 2000	60,000	6,159,484	6,219,484
Provisions for impairment in value			
At 1 August 1999 and at 31 July 2000	50,000	100	50,100
Net book value			
At 31 July 2000	10,000	6,159,384	6,169,384
At 31 July 1999	-	5,751,289	5,751,289

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2000

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Principal activity	Country of registration or incorporation	Shares held
Subsidiary undertakings			Class
The Associated Clothing Company Limited	Clothing	England	Ordinary 75
The Associated Clothing Company (HK) Ltd	Clothing	Hong Kong	Ordinary 75
Baby Face Limited	Dormant	England	Ordinary 75
Bi-Axident Limited	Dormant	England	Ordinary 76
Farbex Limited	Non-trading	England	Ordinary 76
Garment Care Processing Services Limited	Clothing processing	England	Ordinary 100
Helium Limited	Clothing	England	Ordinary 100
Milmans (One) Limited	Dormant	England	Ordinary 100
Melmart of London Limited	Property	England	Ordinary 100
The Nashville Corporation Limited	Clothing	England	Ordinary 100
Jeamland Limited	Clothing	England	Ordinary 100
Trump Limited	Clothing	England	Ordinary 100
Pamplemousse Limited	Clothing	England	Ordinary 100
NV Productions Limited	Non-trading	England	Ordinary 100
Tapestry Design Limited	Clothing	England	Ordinary 100
Urban Tribe Limited	Non-trading	England	Ordinary 100
Ronald Joyce (International) Limited	Bridal and evening wear	England	Ordinary 100
Amanda Wakeley (Holdings) Limited	Non-trading	England	Ordinary 100
GW Retail Limited	Clothing	England	Ordinary 100
GW Limited	Clothing	England	Ordinary 100
Acre 316 Limited	Dormant	England	Ordinary 100

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2000

Acquisitions

The company acquired 100% of the issued share capital of the Amanda Wakeley (Holdings) Limited and its subsidiaries on 31 May 2000.

	£
Net book value and fair value of tangible fixed assets acquired	162,125
Net book value and fair value of other assets and liabilities	
Stock	422,018
Debtors	111,618
Cash at bank and in hand	5,147
	<u>700,908</u>
Creditors amounts falling due within one year	(800,748)
Creditors amounts falling due after more than one year	(46,139)
Fair value of net assets acquired	<u>(145,979)</u>
Goodwill arising on acquisition	<u>145,981</u>
Discharged by:	
Cash	<u>2</u>

The subsidiary undertakings acquired during the year generated £173,350 of the group's net operating cash flows, paid £65,424 in respect of net returns on investments and servicing of finance and utilised £109,608 for capital expenditure.

14 Stocks and work in progress

	Group		Company	
	2000	1999	2000	1999
	£	£	£	£
Raw materials and consumables	2,243,547	728,512	99,586	-
Work in progress	7,458,397	5,747,316	2,512,153	404,620
Finished goods and goods for resale	9,270,501	8,226,779	7,513,648	6,261,674
	<u>18,972,445</u>	<u>14,702,607</u>	<u>10,125,387</u>	<u>6,666,294</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2000

15 Debtors

	Group 2000 £	1999 £	Company 2000 £	1999 £
Trade debtors	10,484,940	8,261,533	3,684,814	1,876,060
Amounts owed by group undertakings	-	-	2,252,949	3,034,891
Amounts owed by companies under common control	1,965,298	1,166,887	361,130	-
Corporation tax	7,803	7,803	-	-
Other debtors	1,159,270	1,138,125	618,285	225,906
Prepayments and accrued income	1,765,651	740,229	112,530	211,781
	<u>15,382,962</u>	<u>11,314,577</u>	<u>7,029,708</u>	<u>5,348,638</u>

16 Creditors : amounts falling due within one year

	Group 2000 £	1999 £	Company 2000 £	1999 £
Bank loans	7,753,813	6,069,685	445,436	330,000
Bank overdrafts	12,200,558	6,824,003	-	2,959,575
Net obligations under finance lease and hire purchase contracts	124,532	71,666	14,353	10,311
Trade creditors	6,836,982	7,320,083	214,846	574,051
Amounts owed to group undertakings	-	-	8,948,523	2,194,483
Amounts owed to companies under common control	9,334,519	7,883,339	9,193,168	7,852,292
Corporation tax	204,709	139,372	24,990	25,372
Other taxes and social security costs	1,738,035	1,094,488	99,675	26,513
Other creditors	262,851	209,963	-	181,928
Accruals and deferred income	2,273,988	1,234,847	1,429,069	649,479
	<u>40,729,987</u>	<u>30,847,446</u>	<u>20,370,060</u>	<u>14,804,004</u>

Bank loans and overdrafts are secured by a fixed and floating charge over the Group's present and future assets together with intercompany guarantees. The bank has first legal charges over the freehold properties at 26 - 28 Conway Street and 357 Euston Road.

The bank also has an agreement postponing the repayment of a £990,000 loan and £1,665,000 preference shares owing to Richard Caring and £770,000 owing to International Garment Sourcing (Holdings) Limited and £2,800,000 preference shares.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2000

17 Creditors : amounts falling due after more than one year

	Group 2000 £	1999 £	Company 2000 £	1999 £
Bank loans	3,006,899	2,805,000	3,006,899	2,805,000
Net obligations under finance leases and hire purchase agreements	73,328	63,612	-	15,407
Other creditors	990,000	990,000	990,000	990,000
Accruals and deferred income	76,370	87,026	-	-
	<u>4,146,597</u>	<u>3,945,638</u>	<u>3,996,899</u>	<u>3,810,407</u>
Analysis of loans				
Not wholly repayable within five years by instalments:				
Bank loan repayable by February 2009	2,805,000	3,135,000	2,805,000	3,135,000
Bank loan repayable by August 2008	612,300	-	612,300	-
Wholly repayable within five years	7,343,412	5,739,685	35,035	-
	<u>10,760,712</u>	<u>8,874,685</u>	<u>3,452,335</u>	<u>3,135,000</u>
Included in current liabilities	<u>(7,753,813)</u>	<u>(6,069,685)</u>	<u>(445,436)</u>	<u>(330,000)</u>
	<u>3,006,899</u>	<u>2,805,000</u>	<u>3,006,899</u>	<u>2,805,000</u>
Instalments not due within five years	-	-	-	-
Debt due within one year	7,753,813	6,069,685	445,436	330,000
Between one and two years	410,400	330,000	440,000	330,000
Between two and five years	1,231,200	990,000	990,000	990,000
In five years or more	1,365,299	1,485,000	1,576,899	1,485,000
	<u>10,760,712</u>	<u>8,874,685</u>	<u>3,452,335</u>	<u>3,135,000</u>

The bank loan repayable by February 2009 is repaid in monthly instalments of £27,500 and the bank loan repayable by August 2008 is repaid in monthly instalments of £6,700. Both of these loans bear interest at 1.5% above the HSBC base rate.

The Other Creditor of £990,000 is a loan from Richard Caring and bears interest at 1.75% above the HSBC base rate. For the year, Richard Caring was paid £74,342 (1999 - £78,752) interest on his loan.

Net obligations under finance leases and hire purchase contracts

Repayable within one year	124,532	71,666	14,353	10,311
Repayable between one and five years	73,328	63,612	-	15,407
	<u>197,860</u>	<u>135,278</u>	<u>14,353</u>	<u>25,718</u>
Included in liabilities falling due within one year	<u>(124,532)</u>	<u>(71,666)</u>	<u>(14,353)</u>	<u>(10,311)</u>
	<u>73,328</u>	<u>63,612</u>	<u>-</u>	<u>15,407</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2000

18 Provisions for liabilities and charges Group

	Deferred taxation £
Balance as at 1 August 1999	11,146
Accelerated capital allowances	50,889
Short-term timing differences	(7500)
Balance as at 31 July 2000	<u>54,535</u>

The deferred tax rate is 30% (1999 - 30%)

19 Pension costs

The group made payments of £130,749 (1999 - £55,838) to private purchase schemes for the benefit of certain employees.

20 Share capital

	2000 £	1999 £
Authorised		
9,999 Ordinary shares of £ 1 each	9,999	9,999
4,455,000 Redeemable preference shares of £ 1 each	4,455,000	4,455,000
	<u>4,464,999</u>	<u>4,464,999</u>
Allotted, called up and fully paid		
9,998 Ordinary shares of £ 1 each	9,998	9,998
4,455,000 Redeemable preference shares of £ 1 each	4,455,000	4,455,000
	<u>4,464,998</u>	<u>4,464,998</u>

The holders of the redeemable preference shares have the right to receive a dividend of 7% per annum, payable half yearly in arrears on a cumulative basis, and no voting rights other than on matters relating to them. The dividends payable in the year ended 31 July 2000 were waived by the holders of the shares. The rights attached to preference shares have been varied such that they are now not redeemable until 31 July 2007 at the request of the shareholders, but the company may redeem all or any of the shares at any time. If the company is wound up, the holders of the redeemable preference shares will be entitled to repayment of the capital paid up, in which circumstances they will rank in priority to ordinary shares.

21 Minority interests

	2000 £	1999 £
Minority interests' share of net assets and liabilities in subsidiary undertakings	<u>244,701</u>	<u>335,458</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2000

22	Reconciliation of movements in shareholders' funds	2000	1999
	Group	£	£
	Profit for the financial year	97,717	1,139,850
	Other recognised gains and losses	34,074	3,928
	Proceeds from issue of shares	-	2,800,000
		<hr/>	<hr/>
	Net addition/(reduction) to shareholders' funds	131,791	3,943,778
	Opening shareholders' funds	5,272,690	1,328,912
		<hr/>	<hr/>
	Closing shareholders' funds	5,404,481	5,272,690
		<hr/>	<hr/>
23	Net cash outflow from operating activities	2000	1999
		£	£
	Reconciliation to operating profit:		
	Operating profit	1,146,988	1,996,816
	Depreciation of tangible fixed assets	1,091,118	621,008
	Amortisation of intangible fixed assets	334,700	313,550
	(Profit)/loss on disposal of tangible fixed assets	(16,130)	(34,989)
	Increase in provision against investments	-	50,000
	Increase in stocks	(3,847,820)	(2,978,355)
	(Increase)/decrease in debtors	(3,956,769)	2,249,485
	Increase/(decrease) in creditors	2,024,791	(3,986,348)
		<hr/>	<hr/>
		(3,223,122)	(1,768,833)
		<hr/>	<hr/>
24	Reconciliation of net cash flow to movement in net debt	2000	1999
		£	£
	Decrease in cash	(5,881,941)	(5,155,955)
	New long term bank loan	(686,000)	(3,300,000)
	Repayment of long term bank loan	403,701	165,000
	Capital element of hire purchase and finance lease rentals	52,689	70,118
		<hr/>	<hr/>
	Change in net debt resulting from cash flows	(6,111,551)	(8,220,837)
	New finance leases	(115,271)	(86,911)
		<hr/>	<hr/>
	Movement in net debt	(6,226,822)	(8,307,748)
	Net debt at 1 August 1999	(10,403,672)	(2,095,924)
		<hr/>	<hr/>
	Net debt at 31 July 2000	(16,630,494)	(10,403,672)
		<hr/>	<hr/>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2000

25 Analysis of net debt

	At 1 August 1999	Cash flow	Non-cash changes	At 31 July 2000
	£	£	£	£
Cash at bank and in hand	5,430,294	1,098,342	-	6,528,636
Bank overdrafts	(6,824,003)	(5,376,555)	-	(12,200,558)
Short term bank loans against overseas creditors	(5,739,685)	(1,603,728)	-	(7,343,413)
		<u>(5,881,941)</u>		
Debt due within one year	(330,000)	(80,400)	-	(410,400)
Debt due after one year	(2,805,000)	(201,899)	-	(3,006,899)
Hire purchase and finance leases	(135,278)	52,689	(115,271)	(197,860)
		<u>(229,610)</u>		
	<u>(10,403,672)</u>	<u>(6,111,551)</u>	<u>(115,271)</u>	<u>(16,630,494)</u>

26 Major non-cash transactions

During the year the Group entered into finance lease and hire purchase arrangements in respect of assets with a total capital value at the inception of the arrangement of £115,271 (1999: £86,911).

27 Contingent liabilities

The group companies are party to a group and related cross guarantee arrangement whereby the borrowings of all group companies are secured by a charge over the company's present and future assets. The maximum borrowings of the group under this arrangement is £12,500,000 (1999: £9,000,000).

At 31 July 2000 there were net reconciled book group borrowings, excluding mortgages, amounting to £13,215,859 (1999: £7,182,969) and cleared borrowings of £12,404,472. This arrangement was extended to £16,500,000 in November 2000.

At 31 July 2000, the company had an outstanding indemnity with Natwest Bank Plc for £245,000.

28 Financial commitments

At 31 July 2000 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2000	1999
	£	£
Expiry date:		
Within one year	-	142,513
Between two and five years	45,000	45,000
In over five years	476,414	402,256
	<u>521,414</u>	<u>589,769</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2000

29 Related party transactions

		Sales and royalties to related party in year	Purchases from related party in year	Amounts owed to related party	Amounts owed from related party
Related party		£	£	£	£
Under Common Control					
International Garment Sourcing (Holdings) Limited	2000	-	-	458,566	-
	1999	-	-	89,488	-
C & S Productions Limited	2000	1,058,037	21,160,746	8,114,002	-
	1999	1,077,869	16,887,344	7,052,566	-
Associated Clothing Company (Offshore) Limited	2000	-	-	-	473,940
	1999	20,234	75,030	-	486,819
NV Productions Limited	2000	-	-	132,031	-
	1999	-	-	-	254,213
Elberon Ltd	2000	-	-	-	592,499
	1999	-	-	223,028	-

Nature of relationship

The above companies are controlled by the same ultimate controlling party as International Clothing Designs (Holdings) Limited

30 Ultimate controlling party

The directors consider Richard Caring to be the Company's ultimate controlling party. The groups bank facility is underwritten by a personal guarantee from R Caring. Included within creditors falling due after more than one year is £990,000 due to R Caring.