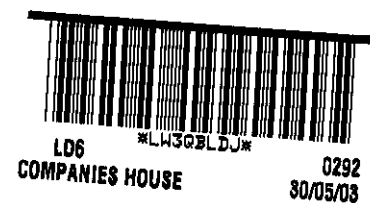


✓
Registered
Company
Company Registration No. 895642 (England and Wales)

INTERNATIONAL CLOTHING DESIGNS
(HOLDINGS) LIMITED
DIRECTORS' REPORT AND GROUP ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2002



INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

COMPANY INFORMATION

Directors	R Caring J A Macaulay J W S Lawrence
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
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 2002

The directors present their report and group accounts for the year ended 31 July 2002.

Principal activities

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

Review of business

During the year the Group has continued to rationalise its trading operations by closing down certain loss making parts of the business. During the forthcoming year, the Group plans to complete its rationalisation by disposing of certain businesses. The Group intends to ensure all parts of the business are trading profitably.

Results and dividends

The group loss for the year after taxation amounted to £537,136.

Directors and their interests

The directors at 31 July 2002 and their beneficial interests in the shares of the company and other group companies were:

	Ordinary shares of £ 1 each	
	31 July 2002	1 August 2001
R Caring	9,998	9,998
J A Macaulay	-	-

	Redeemable preference shares of £ 1 each	
	31 July 2002	1 August 2001
R Caring	-	-
J A Macaulay	-	-

C. D'Cruze resigned as a director on 31 December 2001.

J.W.S Lawrence was appointed a director on 10 March 2003.

Charitable contributions

During the year the group made charitable donations of £5,774 (2001 :£9,129).

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.

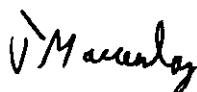
Disabled persons

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: 20th May 2003

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 company 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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts of International Clothing Designs (Holdings) Limited for the year ended 31 July 2002 set out on pages 4 to 26. These accounts have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 9.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditor's 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 described on page 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



H W Fisher & Company

Chartered Accountants
Registered Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Dated: 20 May 2003

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2002

	Notes	2002 £	2001 £
Turnover	2		
Continuing operations		104,002,458	90,299,363
Discontinued activities		<u>6,167,513</u>	<u>14,490,314</u>
		110,169,971	104,789,677
Cost of sales		<u>(89,449,889)</u>	<u>(87,650,466)</u>
Gross profit		20,720,082	17,139,211
Distribution costs		(1,836,776)	(1,610,044)
Administrative expenses		(20,651,187)	(22,288,375)
Other operating income		<u>-</u>	<u>12,502</u>
Operating loss	3		
Continuing operations		(606,158)	(3,054,010)
Discontinued activities		<u>(1,161,723)</u>	<u>(3,692,696)</u>
		(1,767,881)	(6,746,706)
Other income	6	2,342,324	4,397,157
Interest payable and similar charges	7	<u>(1,255,920)</u>	<u>(1,406,591)</u>
Loss on ordinary activities before taxation		(681,477)	(3,756,140)
Tax on loss on ordinary activities	8	<u>144,341</u>	<u>167,713</u>
Loss on ordinary activities after taxation		(537,136)	(3,588,427)
Minority interests		<u>-</u>	<u>230,511</u>
Loss for the financial year	9	(537,136)	(3,357,916)
(Accumulated loss)/retained profit brought forward		(2,387,361)	939,483
Transfers from revaluation reserve		65,125	-
Currency translation differences		<u>(12,940)</u>	<u>31,072</u>
Accumulated loss carried forward		<u>(2,872,312)</u>	<u>(2,387,361)</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 JULY 2002

	2002 £	2001 £
Loss for the financial year	(537,136)	(3,357,916)
Unrealised surplus on revaluation of properties	-	3,047,267
Currency translation differences on foreign currency net investments	(12,940)	31,072
Total recognised gains and losses relating to the year	<u>(550,076)</u>	<u>(279,577)</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

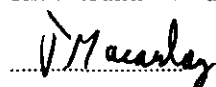
	2002 £	2001 £
Reported loss on ordinary activities before taxation	(681,477)	(3,756,140)
Difference between depreciation charge on revalued amount and on the historical cost basis	65,125	-
Historical cost loss on ordinary activities before taxation	<u>(616,352)</u>	<u>(3,756,140)</u>
Historical cost profit for the year retained after taxation, minority interest and dividends	<u>(472,011)</u>	<u>(3,357,916)</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

BALANCE SHEETS AS AT 31 JULY 2002

		Group		Company	
	Notes	2002 £	2001 £	2002 £	2001 £
Fixed assets					
Intangible assets	10	975,590	1,506,031	-	-
Tangible assets	11	8,784,793	9,960,192	7,515,599	8,013,575
Investments	12	-	-	2,087,273	2,871,585
		<u>9,760,383</u>	<u>11,466,223</u>	<u>9,602,872</u>	<u>10,885,160</u>
Current assets					
Stocks	13	8,072,779	11,630,919	2,067,235	4,521,534
Debtors	14	18,194,576	16,545,327	11,116,973	5,064,559
Cash at bank and in hand		8,547,651	3,397,735	9,039	442,799
		<u>34,815,006</u>	<u>31,573,981</u>	<u>13,193,247</u>	<u>10,028,892</u>
Creditors: amounts falling due within one year	15	(37,739,822)	(35,205,823)	(12,548,771)	(11,130,948)
Net current assets		<u>(2,924,816)</u>	<u>(3,631,842)</u>	<u>644,476</u>	<u>(1,102,056)</u>
Total assets less current liabilities		<u>6,835,567</u>	<u>7,834,381</u>	<u>10,247,348</u>	<u>9,783,104</u>
Creditors: amounts falling due after more than one year	16	(2,246,549)	(2,695,287)	(2,186,100)	(2,596,500)
		<u>4,589,018</u>	<u>5,139,094</u>	<u>8,061,248</u>	<u>7,186,604</u>
Capital and reserves					
Called up share capital	18	4,464,998	4,464,998	4,464,998	4,464,998
Revaluation reserve	19	2,982,142	3,047,267	2,982,142	3,047,267
Profit and loss account		(2,872,312)	(2,387,361)	614,108	(325,661)
	21	<u>4,574,828</u>	<u>5,124,904</u>	<u>8,061,248</u>	<u>7,186,604</u>
Minority interests	20	14,190	14,190	-	-
		<u>4,589,018</u>	<u>5,139,094</u>	<u>8,061,248</u>	<u>7,186,604</u>
Equity interests		<u>134,018</u>	<u>684,094</u>	<u>3,606,248</u>	<u>2,731,604</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>4,589,018</u>	<u>5,139,094</u>	<u>8,061,248</u>	<u>7,186,604</u>

The accounts were approved by the board on 30th May 2003


J A Macaulay
Director

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

GROUP CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2002

	Notes	2002 £	2001 £
Net cash inflow from operating activities	23	662,791	346,000
Returns on investments and servicing of finance			
Interest received	647,351	891,910	
Interest paid	(1,252,627)	(1,387,771)	
Interest element of hire purchase and finance lease rentals	(3,293)	(18,820)	
Net cash outflow from returns on investments and servicing of finance		(608,569)	(514,681)
Corporation tax		6,235	(216,589)
Capital expenditure and financial investment			
Payments to acquire intangible fixed assets	(126,163)	(188,337)	
Payments to acquire tangible fixed assets	(471,190)	(1,290,884)	
Receipts from sales of tangible fixed assets	432,854	581,955	
Goodwill arising from disposal of business	1,238,700	-	
Net cash inflow/(outflow) from capital expenditure and financial investment		1,074,201	(897,266)
Net cash inflow/(outflow) before financing		1,134,658	(1,282,536)
Financing			
New short term bank loan	-	3,744,128	
Repayment of short term bank loan	(780,227)	(3,598,496)	
Capital element of hire purchase and finance lease rentals	(56,660)	(112,004)	
Net cash (outflow)/inflow from financing		(836,887)	33,628
Increase/(decrease) in cash	24	297,771	(1,248,908)

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention as modified to include the revaluation of land and buildings 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 2002. 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 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation 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 and 20% straight line

Plant and machinery

20% - 33% straight line

Fixtures, fittings & equipment

20% - 35% straight line and 33% reducing balance

Motor vehicles

25% Reducing balance and 20% - 33% straight line

1.6 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.

1.7 Investments

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

1.8 Stock and work in progress

Work in progress 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 2002

1.9 Deferred taxation

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

1.10 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:

	2002 £	2001 £
Geographical segment		
United Kingdom	100,080,280	99,555,517
Rest of Europe	3,268,313	4,232,241
Rest of World	6,821,378	1,001,919
	<u>110,169,971</u>	<u>104,789,677</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

3	Operating loss	2002 £	2001 £
	Operating loss is stated after charging:		
	Amortisation of intangible assets	656,604	753,272
	Depreciation of owned tangible assets	1,180,279	1,203,936
	Depreciation of tangible fixed assets held under finance leases and hire purchase contracts	33,188	46,763
	Operating lease rentals		
	- Plant and machinery	-	5,149
	- Other assets	770,764	838,853
	Auditors' remuneration (company £20,000; 2001 : £10,500)	120,000	82,442
	Remuneration of auditors for non-audit work	40,000	17,942
		<u> </u>	<u> </u>

4	Directors' emoluments	2002 £	2001 £
	Aggregate emoluments	342,969	416,792
	Company contributions to defined contribution pension schemes	43,605	30,409
		<u> </u>	<u> </u>
		386,574	447,201
		<u> </u>	<u> </u>

Retirement benefits are accruing to 2 (2001 - 1) directors under defined contribution schemes.

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

Aggregate emoluments	239,169	258,911
Company contributions to defined contribution pension schemes	30,218	9,372
	<u> </u>	<u> </u>

5 Employees

Number of employees

The average weekly number of employees during the year was:

	2002 Number	2001 Number
Selling, distribution, processing and administration	342	433
	<u> </u>	<u> </u>

Employment costs

	£	£
Wages and salaries	11,678,561	12,271,452
Social security costs	1,013,822	1,079,655
Other pension costs	66,792	89,997
	<u> </u>	<u> </u>
	12,759,175	13,441,104
	<u> </u>	<u> </u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

6 Other income	2002	2001
	£	£
Profit on disposal of tangible fixed assets	3,128	5,247
Waiver of related company loans	453,145	3,500,000
Interest receivable and similar income	647,351	891,910
Goodwill arising from disposal of business	1,238,700	-
	<u>2,342,324</u>	<u>4,397,157</u>
7 Interest payable and similar charges	2002	2001
	£	£
Interest payable on:		
Bank loans and overdrafts	738,196	1,268,124
Other loans	514,431	119,647
Finance lease and hire purchase contracts	3,293	18,820
	<u>1,255,920</u>	<u>1,406,591</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

8	Taxation	2002 £	2001 £
	U.K. current year taxation		
	U.K. corporation tax at 30% (2001 - 30%)	-	(123,189)
	Overseas tax	56,210	1,721
	Deferred taxation	(202,000)	(54,535)
		<u>(145,790)</u>	<u>(176,003)</u>
	Prior years		
	U.K. Corporation tax	1,449	8,290
		<u>(144,341)</u>	<u>(167,713)</u>

The deferred tax arises as losses available in a subsidiary company are expected to be utilised in the near future.

Factors affecting tax charge for the period

No tax is due for the period. The differences from the tax assessed at the standard rate of corporation tax in the UK of 30% (2001 - 30%) are explained below:

	2002 £	2001 £
Loss on ordinary activities before taxation	<u>(681,477)</u>	<u>(3,756,140)</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001 - 30%)	(204,443)	(1,126,842)
Effects of:		
(Income)/expenses not (taxable)/deductible for tax purposes	317,266	1,020,051
Prior year adjustments	1,449	8,290
Utilisation of tax losses	(112,823)	(16,398)
Foreign tax	56,210	1,721
Deferred tax	<u>(202,000)</u>	<u>(54,535)</u>
Current tax charge for the period	<u>(144,341)</u>	<u>(167,713)</u>

9 Profit/(loss) 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 profit/(loss) for the financial year is made up as follows:

	2002 £	2001 £
Holding company's profit/(loss) for the financial year	<u>874,644</u>	<u>(381,633)</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

10 Intangible fixed assets Group

	Goodwill £	Trade Marks £	Total £
Cost			
At 1 August 2001	4,217,372	8,807	4,226,179
Additions	126,163	-	126,163
	<hr/>	<hr/>	<hr/>
At 31 July 2002	4,343,535	8,807	4,352,342
	<hr/>	<hr/>	<hr/>
Amortisation			
At 1 August 2001	2,714,868	5,280	2,720,148
Charge for year	654,941	1,663	656,604
	<hr/>	<hr/>	<hr/>
At 31 July 2002	3,369,809	6,943	3,376,752
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 July 2002	973,726	1,864	975,590
	<hr/>	<hr/>	<hr/>
At 31 July 2001	1,502,504	3,527	1,506,031
	<hr/>	<hr/>	<hr/>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

11 Tangible fixed assets Group

	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 August 2001	8,739,539	2,097,877	1,524,380	503,550	12,865,346
Exchange differences	(5,228)	-	(13,177)	(1,676)	(20,081)
Additions	15,286	114,214	210,681	131,009	471,190
Reclassifications	-	(267,760)	267,760	-	-
Disposals	(12,987)	(1,133,634)	(664,733)	(336,069)	(2,147,423)
At 31 July 2002	8,736,610	810,697	1,324,911	296,814	11,169,032
Depreciation					
At 1 August 2001	797,225	1,300,417	688,773	118,739	2,905,154
Exchange differences	(3,198)	-	(11,812)	(1,676)	(16,686)
Reclassifications	-	(208,751)	208,751	-	-
On disposals	(12,987)	(967,377)	(580,837)	(156,495)	(1,717,696)
Charge for the year	333,372	314,456	429,444	136,195	1,213,467
At 31 July 2002	1,114,412	438,745	734,319	96,763	2,384,239
Net book value					
At 31 July 2002	7,622,198	371,952	590,592	200,051	8,784,793
At 31 July 2001	7,942,314	797,460	835,607	384,811	9,960,192

The net book value of land and buildings comprises:

	2002 £	2001 £
Freeholds	6,939,673	7,200,001
Short leaseholds (under 50 years)	682,525	742,313
	7,622,198	7,942,314

The freehold land and buildings were revalued as at July 2001 by Edwin Symmons & Partners, a firm of independent Chartered Surveyors. Their valuation was prepared in accordance with the RICS Appraisal and Valuation Manual as published by the Royal Institution of Chartered Surveyors on an Open Market Value and Estimated Realisation Price basis.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 August 2001 and at 31 July 2002	4,531,728
Depreciation based on cost	
At 1 August 2001	264,886
Charge for the year	90,635
At 31 July 2002	355,521
Net book values	
At 31 July 2002	4,176,207
At 31 July 2001	4,266,842

All other tangible fixed assets are stated at historical cost.

Finance leases and hire purchase contracts

The net book value of tangible fixed assets includes an amount of £37,594 (2001 - £180,201) 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.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

Company	Land and buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 August 2001	7,608,039	502,057	643,558	247,194	9,000,848
Additions	-	25,440	11,454	76,458	113,352
Reclassifications	-	(267,760)	267,760	-	-
Disposals	-	(259,737)	(273,939)	(157,694)	(691,370)
At 31 July 2002	7,608,039	-	648,833	165,958	8,422,830
Depreciation					
At 1 August 2001	267,700	326,079	290,517	102,977	987,273
Reclassifications	-	(208,751)	208,751	-	-
On disposals	-	(184,138)	(237,278)	(98,340)	(519,756)
Charge for the year	155,760	66,810	159,995	57,149	439,714
At 31 July 2002	423,460	-	421,985	61,786	907,231
Net book value					
At 31 July 2002	7,184,579	-	226,848	104,172	7,515,599
At 31 July 2001	7,340,339	175,978	353,041	144,217	8,013,575

The net book value of land and buildings comprises:

	2002	2001
	£	£
Freeholds	7,061,493	7,200,001
Short leaseholds (under 50 years)	123,086	140,338
	7,184,579	7,340,339

The freehold land and building were revalued as at July 2001 by Edwin Symmons & partners, a firm of independent Chartered Surveyors. Their valuation was prepared in accordance with the RICS Appraisal and Valuation Manual as published by the Royal Institution of Chartered Surveyors on an Open Market Value and Estimated Realisation Price basis.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 August 2001 and at 31 July 2002	4,531,728
Depreciation based on cost	
At 1 August 2001	264,886
Charge for the year	90,635
At 31 July 2002	355,521
Net book values	
At 31 July 2002	4,176,207
At 31 July 2001	4,266,842

All other tangible fixed assets are stated at historical cost.

Finance leases and hire purchase contracts

The net book value of tangible fixed assets includes an amount of £- (2001 - £12,838) 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.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

12 Fixed asset investments Group

	Unlisted investments £
Cost or valuation	
At 1 August 2001 and at 31 July 2002	60,000
Provisions for diminution in value	
At 1 August 2001 and at 31 July 2002	60,000
Net book value	
At 31 July 2002	-
At 31 July 2001	-

Company

	Unlisted investments £	Shares and loans in subsidiary undertakings £	Total £
Cost or valuation			
At 1 August 2001 and at 31 July 2002	60,000	6,197,427	6,257,427
Provisions for impairment in value			
At 1 August 2001	60,000	3,325,842	3,385,842
Provision in year	-	784,312	784,312
At 31 July 2002	60,000	4,110,154	4,170,154
Net book value			
At 31 July 2002	-	2,087,273	2,087,273
At 31 July 2001	-	2,871,585	2,871,585

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

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	Non-trading	England	Ordinary	75
The Associated Clothing Company (HK) Ltd	Clothing	Hong Kong	Ordinary	100
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	Non-trading	England	Ordinary	100
Milmans (One) Limited	Dormant	England	Ordinary	100
Melmart of London Limited	Dormant	England	Ordinary	100
The Nashville Corporation Limited	Clothing	England	Ordinary	100
Jeamland Limited	Clothing	England	Ordinary	100
Trump Limited	Non-trading	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
Amanda Wakeley (Retail) Limited	Clothing	England	Ordinary	100
Amanda Wakeley Limited	Dormant	England	Ordinary	100
Tapestry Taiwan Limited	Dormant	England	Ordinary	100

13 Stocks and work in progress

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Raw materials and consumables	810,130	1,500,729	224,319	512,719
Work in progress	1,182,129	4,873,456	626,440	3,212,368
Finished goods and goods for resale	6,080,520	5,256,734	1,216,476	796,447
	<u>8,072,779</u>	<u>11,630,919</u>	<u>2,067,235</u>	<u>4,521,534</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

14 Debtors

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Trade debtors	12,888,799	11,208,153	5,380,701	2,770,729
Amounts owed by group undertakings	-	-	2,189,180	1,100,260
Amounts owed by companies under common control	434,041	2,885,012	242,537	242,530
Corporation tax	133,442	136,951	51,355	5,010
Other debtors	3,937,543	1,179,058	3,178,296	329,067
Prepayments and accrued income	598,751	1,136,153	74,904	616,963
Deferred tax asset (see note 17)	202,000	-	-	-
	<u>18,194,576</u>	<u>16,545,327</u>	<u>11,116,973</u>	<u>5,064,559</u>

15 Creditors : amounts falling due within one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans	7,940,017	8,309,844	1,909,292	3,091,400
Bank overdrafts	15,170,710	10,318,565	3,192,484	214,294
Net obligations under finance lease and hire purchase contracts	23,608	52,684	-	2,636
Trade creditors	7,562,970	8,968,399	2,995,998	2,629,321
Amounts owed to group undertakings	-	-	3,699,248	3,032,209
Amounts owed to companies under common control	4,310,952	4,341,177	-	327,908
Corporation tax	64,475	4,090	-	-
Taxes and social security costs	965,931	828,387	70,795	83,736
Other creditors	48,452	873,637	-	1,317,500
Accruals and deferred income	1,652,707	1,509,040	680,954	431,944
	<u>37,739,822</u>	<u>35,205,823</u>	<u>12,548,771</u>	<u>11,130,948</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.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

16 Creditors : amounts falling due after more than one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans	2,186,100	2,596,500	2,186,100	2,596,500
Net obligations under finance leases and hire purchase agreements	5,588	33,172	-	-
Accruals and deferred income	54,861	65,615	-	-
	<u>2,246,549</u>	<u>2,695,287</u>	<u>2,186,100</u>	<u>2,596,500</u>
Analysis of loans				
Not wholly repayable within five years by instalments:				
Bank loan repayable by February 2009	2,145,000	2,475,000	2,145,000	2,475,000
Bank loan repayable by August 2008	451,500	531,900	451,500	531,900
Wholly repayable within five years	7,529,617	7,899,444	1,498,892	2,681,000
	<u>10,126,117</u>	<u>10,906,344</u>	<u>4,095,392</u>	<u>5,687,900</u>
Included in current liabilities	(7,940,017)	(8,309,844)	(1,909,292)	(3,091,400)
	<u>2,186,100</u>	<u>2,596,500</u>	<u>2,186,100</u>	<u>2,596,500</u>
Debt due within one year	7,940,017	8,309,844	1,909,292	3,091,400
Between one and two years	410,400	410,400	410,400	410,400
Between two and five years	1,231,200	1,231,200	1,231,200	1,231,200
In five years or more	544,500	954,900	544,500	954,900
	<u>10,126,117</u>	<u>10,906,344</u>	<u>4,095,392</u>	<u>5,687,900</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.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

Net obligations under finance leases and hire purchase contracts

Repayable within one year	23,608	52,684	-	2,636
Repayable between one and five years	5,588	33,172	-	-
	<u>29,196</u>	<u>85,856</u>	<u>-</u>	<u>2,636</u>
Included in liabilities falling due within one year	(23,608)	(52,684)	-	(2,636)
	<u>5,588</u>	<u>33,172</u>	<u>-</u>	<u>-</u>

17 Provisions for liabilities and charges Group

	£
Balance at 1 August 2001	-
Profit and loss account	202,000
	<u>202,000</u>
Deferred tax asset included in debtors (note 14)	202,000
Balance at 31 July 2002	<u>-</u>

Deferred tax is provided at 30% (2001 - 30%) analysed over the following timing differences:

Group

	2002 £	2001 £
Tax losses available	<u>202,000</u>	<u>-</u>

18 Pension costs

The group made payments of £66,792 (2001-£89,997) to defined contribution pension schemes for the benefit of certain employees.

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

19	Share capital	2002 £	2001 £
	Authorised		
	10,000 Ordinary shares of £ 1 each	10,000	10,000
	4,455,000 Redeemable preference shares of £ 1 each	4,455,000	4,455,000
		<u>4,465,000</u>	<u>4,465,000</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 2002 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.

20 Statement of movements on reserves Group

	Revaluation reserve £
Balance at 1 August 2001	3,047,267
Additional depreciation on revalued assets	(65,125)
Balance at 31 July 2002	<u>2,982,142</u>

21	Minority interests	2002 £	2001 £
	Minority interests' share of net assets and liabilities in subsidiary undertakings	<u>14,190</u>	<u>14,190</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

22	Reconciliation of movements in shareholders' funds	2002	2001
	Group	£	£
	Loss for the financial year	(537,136)	(3,357,916)
	Other recognised gains and losses	(12,940)	3,078,339
	Net depletion in shareholders' funds	(550,076)	(279,577)
	Opening shareholders' funds	5,124,904	5,404,481
	Closing shareholders' funds	4,574,828	5,124,904
23	Net cash inflow from operating activities	2002	2001
		£	£
	Reconciliation to operating loss:		
	Operating loss	(1,767,881)	(6,746,706)
	Depreciation of tangible fixed assets	1,213,466	1,250,699
	Amortisation of intangible fixed assets	656,604	753,272
	Write off of investment	-	10,000
	Profit on disposal of tangible fixed assets	-	168,205
	Currency translation differences	(9,545)	28,711
	Decrease in stocks	3,558,140	7,341,526
	Increase in debtors	(1,448,549)	(1,033,217)
	Decrease in creditors	(1,539,444)	(1,426,490)
		662,791	346,000
24	Reconciliation of net cash flow to movement in net debt	2002	2001
		£	£
	Increase/(decrease) in cash	297,771	(1,248,908)
	Movements in short term bank loans	780,227	(145,632)
	Capital element of hire purchase and finance lease rentals	56,660	112,004
	Movement in net debt	1,134,658	(1,282,536)
	Net debt at 1 August 2001	(17,913,030)	(16,630,494)
	Net debt at 31 July 2002	(16,778,372)	(17,913,030)

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

25 Analysis of net debt

	At 1 August 2001	Cash flow	At 31 July 2002
	£	£	£
Cash at bank and in hand	3,397,735	5,149,916	8,547,651
Bank overdrafts	(10,318,565)	(4,852,145)	(15,170,710)
Short term bank loans against overseas creditors	(8,309,844)	369,827	(7,940,017)
		<u>667,598</u>	
Debt due after one year	(2,596,500)	410,400	(2,186,100)
Hire purchase and finance leases	(85,856)	56,660	(29,196)
		<u>467,060</u>	
	<u>(17,913,030)</u>	<u>1,134,658</u>	<u>(16,778,372)</u>

26 Contingent liabilities

The group companies are party to a group and related party 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 £15,000,000 (2001: £15,000,000), this facility is in addition to group long term bank loans.

At 31 July 2002 the net group borrowings, excluding group long term bank loans, were £12,726,000 (2001: £14,118,783), group long term loans amounted to £2,596,500 (2001: £3,006,910).

27 Financial commitments

At 31 July 2002 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2002	2001
	£	£
Expiry date:		
Between one and two years	124,400	-
Between two and five years	43,500	43,500
In over five years	32,500	470,016
	<u>200,400</u>	<u>513,516</u>

INTERNATIONAL CLOTHING DESIGNS (HOLDINGS) LIMITED

NOTES TO THE GROUP ACCOUNTS FOR THE YEAR ENDED 31 JULY 2002

28 Related party transactions

	Sales and royalties to related party in year	Management fees charged to a related party	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	-	-	53,504	1,181	157,400
C & S Productions Limited	-	-	8,508,528	-	-
Ronald Joyce Far East	-	93,243	-	-	34,104
Tapestry Taiwan	-	-	5,591,945	2,740,933	-
NV Productions Limited	1,060,650	-	3,308,051	1,568,838	-
Elberon International Ltd	-	-	-	-	242,537

During the year International Garment Sourcing (Holdings) Limited waived £453,145 in respect of amounts owed by International Clothing Designs (Holdings) Limited.

Nature of relationship

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

29 Ultimate controlling party

The directors consider Richard Caring to be the Company's ultimate controlling party. The group's bank facilities are underwritten by a personal guarantee from R Caring.