

MONSOON HOLDINGS LIMITED

FINANCIAL STATEMENTS

AS AT

28 MAY 1994



MacIntyre & Co
Chartered Accountants
Registered Auditors

Company Registration Number: 1200163

MONSOON HOLDINGS LIMITED

DIRECTORS

P M Simon
A D Simon
A J May
J S F Spooner
R F Randon

SECRETARY

P M Simon

AUDITORS

MacIntyre & Co
28 Ely Place
London
EC1N 6RL

BANKERS

National Westminster Bank Plc
Mayfair Branch
18A Curzon Street
London
W1A 4ND

REGISTERED OFFICE

87 Lancaster Road
London
W11 1QQ

MONSOON HOLDINGS LIMITED

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MONSOON HOLDINGS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 28 MAY 1994

The directors present herewith their annual report together with the audited financial statements for the year ended 28 May 1994.

PRINCIPAL ACTIVITY

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

BUSINESS REVIEW

The group had a successful year and the year end financial position is considered to be satisfactory. The group intends to open additional retail units during the course of the next financial year using internally generated funds.

The results for the year are shown in the consolidated profit and loss account.

DIVIDEND

The company paid dividends totalling £3,071,310 (£33 per share) during the year (1993 £1,396,050 - £15 per share).

FIXED ASSETS

Fixed asset movements are shown in notes 12 and 13 of the notes to the financial statements.

DIRECTORS

The directors who served during the year and their beneficial interests in the share capital of the company were as follows:-

	Ordinary shares		Options	
	28.5.94	29.5.93	28.5.94	29.5.93
P M Simon	27,405	27,405	-	-
A D Simon	-	-	-	-
A J May	1,535	1,535	-	-
J S F Spooner	1,535	1,535	-	-
R F Randon (Appointed 19 March 1994)	-	-	-	-

MONSOON HOLDINGS LIMITED

REPORT OF THE DIRECTORS (Continued)

FOR THE YEAR ENDED 28 MAY 1994

CHARITABLE DONATIONS

During the year the group made charitable donations totalling £4,334 (1993:£1,543).

STATEMENT OF DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare financial statements 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 financial statements, 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 financial statements;
- prepare the financial statements 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 financial statements 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.

EMPLOYEE MATTERS

Employee involvement in the group's success and profitability is encouraged through various sales and profit related incentive schemes.

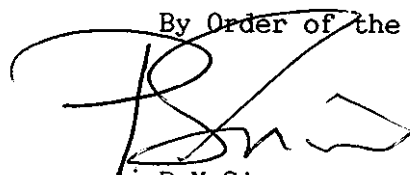
Employees are encouraged to involve themselves in all aspects of the group's activities.

It is the group's policy to give full and fair consideration to suitable applications for employment by disabled persons and, so far as particular disabilities permit, to give continued employment to any existing employee who becomes disabled.

AUDITORS

A resolution will be submitted to the Annual General Meeting to re-appoint Messrs MacIntyre & Co.

By Order of the Board



P M Simon
Secretary

87 Lancaster Road
London
W11 1QQ

24 March 1995

REPORT OF THE AUDITORS TO THE MEMBERS OF
MONSOON HOLDINGS LIMITED
FOR THE YEAR ENDED 28 MAY 1994

We have audited the financial statements on pages 4 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 and 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 financial statements 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 financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of the group and company's affairs as at 28 May 1994 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

MacIntyre & Co

MacIntyre & Co
Chartered Accountants
Registered Auditors

28 Ely Place
London
EC1N 6RL

3 April 1995

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28 MAY 1994

	Notes	1994 £	1993 £
Turnover	2	46,406,178	33,657,221
Cost of sales		(15,930,401)	(12,321,496)
Gross profit		30,475,777	21,335,725
Administrative expenses		(22,229,286)	(16,312,887)
Other operating income	4	148,686	128,808
Operating profit	5	8,395,177	5,151,646
Diminution in value of investments		(290,199)	-
Net gain on sales of investments		34,329	12,408
Investment Income	6	193,268	64,412
Interest receivable and similar income	7	175,127	234,650
Interest payable and similar charges	8	(4,038)	(5,927)
Profit on ordinary activities before taxation		8,503,664	5,457,189
Tax on profit on ordinary activities	10	(2,818,620)	(1,774,449)
Profit on ordinary activities after taxation		5,685,044	3,682,740
Dividends	11	(3,071,310)	(1,396,050)
RETAINED PROFIT FOR THE FINANCIAL YEAR	22	£2,613,734	£2,286,690
		=====	=====

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES


The company has no recognised gains or losses other than the profit or loss for the above financial years.

The attached notes form part of these financial statements.

CONSOLIDATED BALANCE SHEET

AS AT 28 MAY 1994

	Notes	£	1994 £	£	1993 £
FIXED ASSETS					
Tangible assets	12		6,065,065		4,402,847
Investments	13		27,550		27,325
			<u>6,092,615</u>		<u>4,430,172</u>
CURRENT ASSETS					
Stock	14	4,141,415		3,335,646	
Debtors	15	3,043,042		2,150,753	
Investments	16	6,123,980		2,449,496	
Cash at bank and in hand		3,578,779		3,209,230	
		<u>16,887,216</u>		<u>11,145,125</u>	
CREDITORS					
Amounts falling due within one year	17	(10,947,528)		(6,316,519)	
NET CURRENT ASSETS			<u>5,939,688</u>	<u>4,828,606</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			12,032,303	9,258,778	
PROVISIONS FOR LIABILITIES AND CHARGES	18		(223,700)	(134,400)	
NET ASSETS			<u>£11,808,603</u>	<u>£9,124,378</u>	
CAPITAL AND RESERVES					
Called-up share capital	19		9,307	9,307	
Share premium account	20		45,743	45,743	
Capital reserve	21		618,659	618,659	
Profit and loss account	22		11,134,882	8,450,657	
Other reserves	23		12	12	
			<u>£11,808,603</u>	<u>£9,124,378</u>	

..... P M Simon (Director)

The accounts were approved by the Board of Directors on 24 March 1995.

The attached notes form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 28 MAY 1994

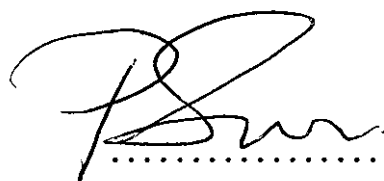
	Notes	1994 £	1993 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	27	10,153,625	6,631,357
Returns on investments and servicing of finance			
Bank interest received		174,075	234,424
Income received from current asset investments		142,679	48,372
Other interest received		1,052	226
Interest paid		(4,038)	(5,927)
Dividend paid		(3,071,310)	(1,396,050)
Gain on sale of investments		34,329	12,408
		-----	-----
		(2,723,213)	(1,106,547)
Taxation			
Corporation tax paid		(1,658,540)	(401,677)
Investing Activities			
Payments to acquire tangible fixed assets		(2,610,623)	(1,537,427)
Receipts from sale of tangible fixed assets		50,263	37,943
Payments to acquire fixed assets investments		(8,000)	(27,325)
		-----	-----
		(2,568,360)	(1,526,809)
Increase in cash and cash equivalents		£3,203,512	£3,596,324
		=====	=====

The attached notes form part of these financial statements.

BALANCE SHEET

AS AT 28 MAY 1994

	Notes	£	1994	£	£	1993	£
FIXED ASSETS							
Tangible assets	12		18,563			73,245	
Investments	13		822			1,536	
			<u>19,385</u>			<u>74,781</u>	
CURRENT ASSETS							
Debtors	15	2,461,838			2,668,719		
Investments	16	-			12,304		
		<u>2,461,838</u>			<u>2,681,023</u>		
CREDITORS:							
Amounts falling due within one year	17	(2,404,871)			(1,077,934)		
NET CURRENT ASSETS				56,967		1,603,089	
NET ASSETS				<u>£ 76,352</u>		<u>£1,677,870</u>	
CAPITAL AND RESERVES							
Called-up share capital	19		9,307			9,307	
Share premium account	20		45,743			45,743	
Profit and loss account	22		21,290			1,622,808	
Other reserves	23		12			12	
			<u>£ 76,352</u>			<u>£1,677,870</u>	



..... P M Simon (Director)

The accounts were approved by the Board of Directors on 24 March 1995.

The attached notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 MAY 1994

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular policies adopted are described below:-

a) Basis of accounting

These accounts have been prepared under the historical cost convention.

b) Consolidation

i) The consolidated accounts incorporate the accounts of Monsoon Holdings Limited, and all of its subsidiary undertakings. The accounts of all group undertakings are made up annually to the last Saturday in May.

ii) The capital reserve arising on consolidation is shown in the consolidated balance sheet.

iii) In accordance with the exemptions allowed by Section 230 of the Companies Act 1985, a separate profit and loss account dealing with the results of the company only has not been presented.

c) Depreciation

i) Freehold buildings

Depreciation of freehold buildings is provided at the rate of 2% per annum on cost on a straight line basis.

ii) Leasehold premises

Monsoon Limited, the company's subsidiary undertaking, rents certain leasehold premises from Monsoon Holdings Limited under licences. Monsoon Limited bears all the costs of leasehold improvements and pays all rentals and lease premiums due to the head lessor.

Monsoon Limited capitalises all expenditure on lease premises and leasehold improvements and depreciates them over the terms of the leases held by Monsoon Holdings Limited.

iii) Motor vehicles

Depreciation of motor vehicles is calculated on a reducing balance basis at 25% per annum.

iv) Furniture, fixtures and fittings

Depreciation of furniture, fixtures and fittings is calculated on a reducing balance basis at 15% per annum.

v) Computer equipment

Depreciation is provided on computer hardware on a straight line basis calculated to write off the cost of the equipment over five years.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 28 MAY 1994

d) Foreign Currencies

Assets and liabilities expressed in foreign currencies are translated into sterling at rates of exchange ruling at the end of the financial year. Transactions in foreign currencies are translated into sterling at the rates of exchange ruling on the date of the transactions. All profits and losses on exchange are dealt with in the profit and loss account.

On consolidation, balance sheet items and profits and losses of overseas subsidiaries are translated into sterling at the year end rates of exchange. Exchange differences arising on consolidation are recorded as movements on reserves.

e) Investment Income

Income from investments is included, together with the related tax credit in the consolidated profit and loss account on an accruals basis.

f) Deferred Taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences other than those which are expected with reasonable probability to continue in the foreseeable future.

Where there is no intention to distribute the profit of overseas subsidiary undertakings, no deferred tax is provided in respect of liabilities which might arise on distributions by these companies.

g) Stock

Stock is valued at the lower of cost and net realisable value.

h) Current Asset Investments

Current asset investments are valued at the lower of cost and net realisable value.

i) Fixed Asset Investments

Fixed asset investments are shown at cost or market value if this is considered to be less than cost.

2. TURNOVER

Turnover represents the total amount receivable by the group in respect of goods provided during the year, excluding Value Added Tax.

The geographical analysis of turnover is as follows:-

	1994 £	1993 £
UK and Europe	45,411,737	32,594,385
USA	47,709	285,337
Australia	900,476	719,528
Far East	46,256	57,971
	-----	-----
	£46,406,178	£33,657,221
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 28 MAY 1994

3. STAFF NUMBERS AND COSTS

The average number of persons employed by the group (including directors) during the year was as follows:-

	1994 No.	1993 No.
Total employees	775	656
	=====	=====

Aggregate payroll costs of these persons were as follows:

	1994 £	1993 £
Wages, salaries and casual labour	8,497,549	6,160,216
Social Security costs	732,036	532,080
Pension costs	640,470	610,920
	-----	-----
	£9,870,055	£7,303,216
	=====	=====

4. OTHER OPERATING INCOME

	1994 £	1993 £
Rent receivable	95,228	101,345
Capital contributions received	53,250	26,352
Other income	208	1,111
	-----	-----
	£148,686	£128,808
	=====	=====

5. OPERATING PROFIT

Operating profit is stated after charging the following:-

	1994 £	1993 £
Depreciation of tangible fixed assets	851,708	631,670
Loss on disposal of fixed assets	49,997	3,158
Auditors' remuneration		
- Audit services		
(company £3,100, 1993:£2,775)	28,756	31,246
- Other services	-	3,500
Operating lease rentals		
- land and buildings	5,732,523	4,019,546
	=====	=====

6. INVESTMENT INCOME

	1994 £	1993 £
Income from listed investments	£193,268	£ 64,412
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 28 MAY 1994

7.	INTEREST RECEIVABLE AND SIMILAR INCOME	1994	1993
		£	£
	Bank interest	174,075	234,424
	Other interest	1,052	226
		-----	-----
		£175,127	£234,650
		=====	=====
8.	INTEREST PAYABLE AND SIMILAR CHARGES	1994	1993
		£	£
	Bank interest and charges	3,651	445
	Other interest	387	5,482
		-----	-----
		£ 4,038	£ 5,927
		=====	=====
9.	DIRECTORS' EMOLUMENTS	1994	1993
		£	£
	Other emoluments (including pension contributions and benefits in kind)	£1,050,204	£ 858,659
		=====	=====

Excluding pension contributions, the emoluments of the chairman and highest paid director of the group were £150,454 (1993: £108,460). Emoluments (excluding pension contributions) paid to other directors, including amounts paid by subsidiaries during the year were as follows:-

Income Bracket	Number of Directors	
	1994	1993
£Nil	1	1
£ 1 - £ 5,000	1	-
£ 65,001 - £ 70,000	-	1
£ 80,001 - £ 85,000	-	1
£110,001 - £115,000	1	-
£150,000 - £155,000	1	-
	===	===

Emoluments of £1,020,000 (1993: £793,333) were waived by one director.

10.	TAXATION	1994	1993
	Taxation based on the profit for the year:-	£	£
	UK Corporation tax @ 33% (1993 - 33%)	2,702,333	1,685,448
	Tax credits attributable to dividends received	8,366	-
	Overseas taxation	17,005	66,290
	Deferred taxation (note 18)	89,300	19,500
	Adjustment in respect of prior years	1,616	3,211
		-----	-----
		£2,818,620	£1,774,449
		=====	=====
11.	DIVIDENDS	1994	1993
		£	£
	Dividend paid £33 (1993: £15) per share	£3,071,310	£1,396,050
		=====	=====

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 28 MAY 1994

12. TANGIBLE FIXED ASSETS

GROUP

	Freehold buildings £	Short Leasehold premises £	Fixtures, fittings and equipment £	Motor vehicles £	TOTAL £
COST					
At 30 May 1993	37,266	3,067,158	3,625,419	308,730	7,038,573
Currency adjustment	-	7,803	7,364	-	15,167
Additions	-	1,072,608	1,430,647	107,368	2,610,623
Disposals	(37,266)	(53,209)	(22,334)	(80,488)	(193,297)
	-----	-----	-----	-----	-----
At 28 May 1994	-	4,094,360	5,041,096	335,610	9,471,066
	=====	=====	=====	=====	=====
DEPRECIATION					
At 30 May 1993	2,266	709,555	1,786,901	137,004	2,635,726
Currency adjustment	-	7,412	4,192	-	11,604
Charge for year	745	222,008	565,187	63,768	851,708
On disposals	(3,011)	(29,124)	(12,744)	(48,158)	(93,037)
	-----	-----	-----	-----	-----
At 28 May 1994	-	909,851	2,343,536	152,614	3,406,001
	=====	=====	=====	=====	=====
NET BOOK VALUE					
At 28 May 1994	£ -	£3,184,509	£2,697,560	£182,996	£6,065,065
	=====	=====	=====	=====	=====
At 29 May 1993	£ 35,000	£2,357,603	£1,838,518	£171,726	£4,402,847
	=====	=====	=====	=====	=====

COMPANY

	Freehold buildings £	Leasehold premises £	Motor vehicles £	TOTAL £
COST				
At 30 May 1993	37,266	12,100	79,000	128,366
Disposals	(37,266)	(12,100)	(35,000)	(84,366)
	-----	-----	-----	-----
At 28 May 1994	-	-	44,000	44,000
	=====	=====	=====	=====
DEPRECIATION				
At 30 May 1993	2,266	9,680	43,175	55,121
Charge for year	745	2,420	8,956	12,121
On disposals	(3,011)	(12,100)	(26,694)	(41,805)
	-----	-----	-----	-----
At 28 May 1994	-	-	25,437	25,437
	=====	=====	=====	=====
NET BOOK VALUE				
At 28 May 1994	£ -	£ -	£ 18,563	£ 18,563
	=====	=====	=====	=====
At 29 May 1993	£ 35,000	£ 2,420	£ 35,825	£ 73,245
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 28 MAY 1994

13. FIXED ASSETS - INVESTMENTS

<u>GROUP</u>	Other Investments £
COST	
At 30 May 1993	27,325
Additions	8,000

At 28 May 1994	35,325

AMOUNTS PROVIDED	
At 30 May 1993	-
Provided in year	(7,775)

At 28 May 1994	(7,775)

NET BOOK VALUE	
At 28 May 1994	£ 27,550
	=====
At 29 May 1993	£ 27,325
	=====
AGGREGATE MARKET VALUE	
At 28 May 1994	£ 35,000
	=====
At 29 May 1993	£ 30,000
	=====
<u>COMPANY</u>	
COST	£
At 30 May 1993	1,536
Disposals	(714)

At 28 May 1994	822

AMOUNTS PROVIDED	
At 30 May 1993 and 28 May 1994	-

NET BOOK VALUE	
At 28 May 1994	£ 822
	=====
At 29 May 1993	£ 1,536
	=====

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 28 MAY 1994

13. FIXED ASSET - INVESTMENTS (continued)

Details of the investments in which the group or company holds more than 10% of the nominal value of any class of share capital are as follows:-

Name of Company	Country of registration (or incorporation) and operation	Holding	Proportion of voting rights and shares held	Nature of business
SUBSIDIARY UNDERTAKINGS				
All held by the company.				
Monsoon Limited	England and Wales	Ordinary Shares	100%	As for company
Monsoon of London Pty Ltd	Australia	Ordinary Shares	90%	As for company
Monsoon Co-ordination Services Limited	Hong Kong	HK 10\$ Shares	100%	Buying and Inspection Services
Monsoon Twilight Inc	USA	Capital Stock Units	100%	As for company

Monsoon Inc. a company incorporated in the USA and in which Monsoon Holdings held 100% of the capital stock units, was dissolved during the year. The company did not trade during the year.

14. STOCK

	1994		1993	
	Group £	Company £	Group £	Company £
Finished goods and goods held for resale	4,141,415	-	3,335,646	-
	=====	=====	=====	=====

15. DEBTORS

	1994		1993	
	Group £	Company £	Group £	Company £
Trade debtors	455,957	-	709,441	-
Amounts owed by subsidiary undertakings	-	1,499,677	-	2,203,369
ACT recoverable	-	-	465,350	465,350
Other debtors	1,004,831	962,161	7,399	-
Prepayments and accrued income	1,582,254	-	968,563	-
	=====	=====	=====	=====
	£3,043,042	£2,461,838	£2,150,753	£2,668,719
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 28 MAY 1994

16. CURRENT ASSET INVESTMENTS

GROUP	Cost		Market Value	
	1994 £	1993 £	1994 £	1993 £
Investments listed on UK exchange	3,868,780	-	3,664,098	-
Investments listed on foreign exchanges	1,938,686	2,437,192	1,860,944	2,492,797
Other investments	-	12,304	-	12,304
Short term deposits awaiting investment	598,938	-	598,938	-
Diminution in value of investments	(282,424)	-	-	-
	£6,123,980	£2,449,496	£6,123,980	£2,505,101
	=====	=====	=====	=====
COMPANY	Cost		Market Value	
	1994 £	1993 £	1994 £	1993 £
Other investments	£ -	£ 12,304	£ -	£ 12,304
	=====	=====	=====	=====

The short term deposits awaiting investment represent funds available for investment in securities held on behalf of the company by S G Warburg & Co. Limited. All foreign listed securities' market values were translated at the appropriate year end rates of exchange.

17. CREDITORS: Amounts falling due within one year

	1994		1993	
	Group £	Company £	Group £	Company £
Bank overdraft	1,082,082	31,066	241,561	-
Trade creditors	3,842,940	-	2,405,826	-
Corporation Tax	1,965,364	241,411	1,713,000	525,049
ACT payable	767,827	767,827	465,350	465,350
Other Taxes and Social Security	657,024	-	853,228	-
Other creditors	1,980,376	1,209,910	278,680	84,115
Accruals and deferred income	651,915	154,657	358,454	3,000
Directors' loan accounts	-	-	420	420
	£10,947,528	£2,404,871	£6,316,519	£1,077,934
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 28 MAY 1994

18. PROVISIONS FOR LIABILITIES
AND CHARGES

	1994		1993	
	Group £	Company £	Group £	Company £
Deferred Taxation				
At 30 May 1993	134,400	-	114,900	-
Transfer from profit and loss account (note 10)	89,300	-	19,500	-
	-----	-----	-----	-----
At 28 May 1994	£223,700	£ -	£134,400	£ -
	=====	=====	=====	=====

19. SHARE CAPITAL

	1994 £	1993 £
Authorised 100,000 Ordinary Shares of 10p each	£ 10,000	£ 10,000
	=====	=====
Share Capital Allotted, Called-up and Fully Paid 93,070 Ordinary Shares of 10p each	£ 9,307	£ 9,307
	=====	=====

At 28 May 1994 options existed to subscribe for 540 ordinary shares of 10p each at an option price of £67 per share exercisable before 28 February 2002, under the terms of the Monsoon Holdings Limited share option scheme.

20. SHARE PREMIUM ACCOUNT

	1994 £	1993 £
Balance at 30 May 1993 and 28 May 1994	£ 45,743	£ 45,743
	=====	=====

21. CAPITAL RESERVE - GROUP

	1994 £	1993 £
Capital reserve arising on consolidation	£618,659	£618,659
	=====	=====

22. PROFIT AND LOSS ACCOUNT

	1994		1993	
	Group £	Company £	Group £	Company £
Retained profit brought forward	8,450,657	1,622,808	5,855,936	1,961,897
Retained profit/(loss) for the year	2,613,734	(1,601,518)	2,286,690	(339,089)
Currency translation adjustments	70,491	-	308,031	-
	-----	-----	-----	-----
Retained profit/(loss) carried forward	£11,134,882	£ 21,290	£8,450,657	£1,622,808
	=====	=====	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 28 MAY 1994

23. OTHER RESERVES - GROUP AND COMPANY	1994 £	1993 £
Option monies received	£ 12 ===	£ 12 ===

24. LEASE COMMITMENTS

The group had no material obligations under finance leases at 28 May 1994.

At 28 May 1994 the group had annual commitments under non-cancellable operating leases for land and buildings as follows:

	1994 £	1993 £
Expiring within one year	305,650	-
Expiring between two and five years inclusive	828,894	540,350
Expiring in over five years	6,008,662	4,425,855
	-----	-----
	£7,143,206	£4,966,205
	=====	=====

The group's leases of land and buildings are subject to rent review.

25. CAPITAL COMMITMENTS	1994		1993	
	Group £	Company £	Group £	Company £
Contracted for	£223,000 =====	£ - =====	£376,000 =====	£ - =====
Authorised but not contracted for	£110,000 =====	£ - =====	£ - =====	£ - =====

26. CONTINGENT LIABILITIES

Monsoon Holdings Limited has given an unlimited guarantee to National Westminster Bank plc in favour of Monsoon Limited.

27. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1994 £	1993 £
Operating profit	8,395,177	5,151,646
Provision for diminution in value of investments	(282,424)	-
Depreciation charges	851,708	631,670
Loss on sale of fixed assets	49,997	3,158
(Increase) in stocks	(805,769)	(528,258)
(Increase) in debtors	(1,357,639)	(201,117)
Increase in creditors	3,235,647	1,268,961
Currency translation difference	66,928	305,297
	-----	-----
	£10,153,625	£6,631,357
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 28 MAY 1994

28. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	1994 £	1993 £
Balance at 30 May 1993	5,417,165	1,820,841
Net cash inflow	3,203,512	3,596,324
	-----	-----
Balance at 28 May 1994	£8,620,677	£5,417,165
	=====	=====

29. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1994 £	1993 £	Change in year £
Cash at bank and in hand	3,578,779	3,209,230	369,549
Bank overdrafts	(1,082,082)	(241,561)	(840,521)
Investments and cash held by portfolio managers	6,123,980	2,449,496	3,674,484
	-----	-----	-----
	£8,620,677	£5,417,165	£3,203,512
	=====	=====	=====

30. PARENT UNDERTAKING

The company's ultimate parent undertaking is Sycamore Holdings Limited, a company registered in Malta.

31. MOVEMENT IN SHAREHOLDERS' FUNDS

	1994		1993	
	Group £	Company £	Group £	Company £
Profit/(loss) for the financial year	5,685,044	1,469,792	3,682,740	1,056,961
Currency translation adjustments	70,491	-	308,031	-
Dividends	(3,071,310)	(3,071,310)	(1,396,050)	(1,396,050)
	-----	-----	-----	-----
Total movements during the year	2,684,225	(1,601,518)	2,594,721	(339,089)
Opening shareholders' funds	9,124,378	1,677,870	6,529,657	2,016,959
	-----	-----	-----	-----
Closing shareholders' funds	£11,808,603	£ 76,352	£9,124,378	£1,677,870
	=====	=====	=====	=====

32. PENSIONS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £628,750 (1993: £600,000).