

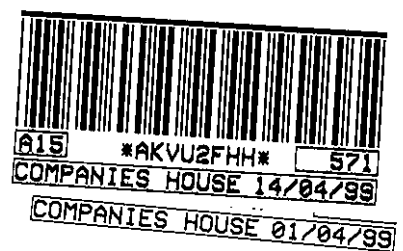
JANTA FASHIONS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1998

Incorporation No. 2431684

BAJAJ & COMPANY
Registered Auditors &
Chartered Accountant
410-420 Rayners Lane
Pinner Middx HA5 5DY



JANTA FASHIONS LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 31ST MARCH 1998

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JANTA FASHIONS LIMITED**THE DIRECTORS' REPORT****YEAR ENDED 31ST MARCH 1998**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 1998.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the clothing manufacturers and wholesalers.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £0 each	
	At 31 March 1998	At 1 April 1997
MR. J. S. RAI	50	50
MR. P. S. KHAK	50	50

Mr. P. S Khak resigned as a director on 21st April 1998 and Mr. A. S. Rai was appointed in his stead.

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 company at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgments and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

CLOSE COMPANY PROVISIONS

In the opinion of the directors, the company is a close company within the meaning of S.414 Income and Corporation Taxes Act, 1988 (as amended).

DONATIONS

During the year the company made the following contributions:

	1998	1997
	£	£
Charitable	2,647	4,450

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JANTA FASHIONS LIMITED

THE DIRECTORS' REPORT(continued)

YEAR ENDED 31ST MARCH 1998

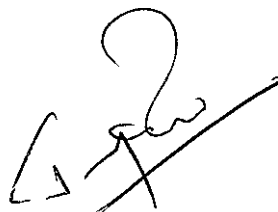
AUDITOR

A resolution to re-appoint Bajaj & Company as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
273 Commercial Road
London E1 2PS

A handwritten signature in black ink, appearing to read 'Jagtar Singh Rai', with a large, stylized flourish at the end.

Signed by order of the directors

JAGTAR SINGH RAI
Company Secretary

Approved by the directors on 24th March 1999

JANTA FASHIONS LIMITED**AUDITOR'S REPORT TO THE SHAREHOLDERS****YEAR ENDED 31ST MARCH 1998**

We have audited the financial statements on pages 4 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITOR

As described on page 2, the company's directors are responsible for the preparation of the 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 my 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 judgments 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 my 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.

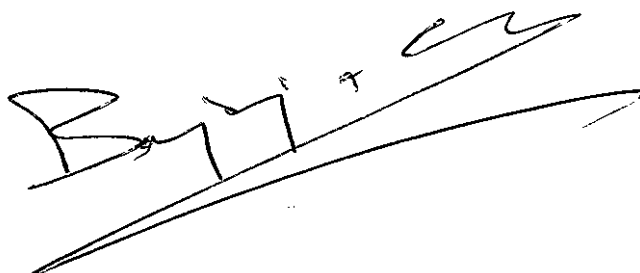
The directors have not depreciated the freehold buildings in accordance with the requirements of the Standard Accounting Practice, on the basis that with regular maintenance and upkeep then there is no diminution in its value. We are in agreement with the directors' treatment in their particular circumstances, as we feel this gives a true and fair position.

OPINION

In our opinion the financial statements give a true and fair view of the company's state of affairs as at 31st March 1998 and of its profit for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

BAJAJ & COMPANY
Registered Auditors
410-420 Rayners Lane
Middx HA5 5DY

24th March 1999

A large, stylized handwritten signature in black ink, appearing to read 'B. M. J.', is written over a horizontal line.

JANTA FASHIONS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31ST MARCH 1998

	Note	1998 £	1997 £
TURNOVER	2	909,385	916,718
LESS: Cost of sales		<u>694,496</u>	<u>693,477</u>
GROSS PROFIT		214,889	223,241
Distribution costs		600	2,435
Administrative expenses		<u>164,638</u>	<u>177,167</u>
OPERATING PROFIT	3	49,651	43,639
Exceptional charges	6	(2,000)	-
Interest receivable	7	140	81
Interest payable	7	<u>(15,917)</u>	<u>(12,170)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		31,874	31,550
LESS: Tax on profit on ordinary activities	8	<u>8,296</u>	<u>8,291</u>
RETAINED PROFIT FOR THE FINANCIAL YEAR		23,578	23,259
Balance brought forward		<u>113,440</u>	<u>90,181</u>
Balance carried forward		<u>137,018</u>	<u>113,440</u>

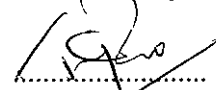
The company has no recognised gains or losses other than the results for the year as set out above.

JANTA FASHIONS LIMITED**BALANCE SHEET****31ST MARCH 1998**

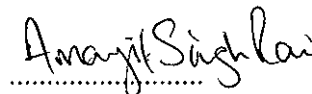
	Note	1998	1997
		£	£
FIXED ASSETS	9		
Tangible assets		300,402	286,400
CURRENT ASSETS			
Stocks	10	60,100	62,500
Debtors	11	262,290	254,225
Cash at bank and in hand		2,926	1,391
		<u>325,316</u>	<u>318,116</u>
CREDITORS: Amounts falling due within one year	12	<u>(442,883)</u>	<u>(415,447)</u>
NET CURRENT LIABILITIES		<u>(117,567)</u>	<u>(97,331)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		182,835	189,069
CREDITORS: Amounts falling due after more than one year	13	<u>(45,717)</u>	<u>(75,529)</u>
		<u>137,118</u>	<u>113,540</u>
CAPITAL AND RESERVES			
Called-up equity share capital	16	100	100
Profit and loss account	17	<u>137,018</u>	<u>113,440</u>
SHAREHOLDERS' FUNDS		<u>137,118</u>	<u>113,540</u>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 24th March 1999, and are signed on their behalf by:



 MR J. S. RAI



 MR A. S. RAI

JANTA FASHIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 1998****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- 10 % per annum
Plant & Machinery	- 25% on written down value
Fixtures & Fittings	- 25% on written down value
Motor Vehicles	- 25% on written down value
Equipment	- 25% on written down value

No depreciation is provided on the freehold buildings as the directors are of the opinion that with proper maintenance that the value of the property will appreciate.

Stocks

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

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future installments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future installments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

2. TURNOVER

The turnover and the profit before tax is attributable to the one principal activity of the company.

	1998 £	1997 £
United Kingdom and EEC	896,383	891,590
Overseas exports	13,002	25,128
	<hr/>	<hr/>
	909,385	916,718

JANTA FASHIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 1998**

	1998 £	1997 £
3. OPERATING PROFIT		
Operating profit is stated after charging:		
Staff pension contributions	6,050	6,690
Depreciation	13,008	11,257
Auditor's fees	<u>1,837</u>	<u>1,700</u>
4. EMPLOYEES COSTS		
The aggregate costs of the company's employees were:		
Wages and salaries	115,926	106,746
Social Security costs	4,745	4,089
Pension and health premiums	7,998	8,774
	<u>128,669</u>	<u>120,609</u>
5. DIRECTORS' EMOLUMENTS		
The directors' aggregate emoluments in respect of qualifying services were:		
Aggregate emoluments	<u>17,500</u>	<u>20,001</u>
6. EXCEPTIONAL CHARGES		
Irrecoverable Taxes	<u>2,000</u>	<u>-</u>
7. INTEREST RECEIVABLE / (PAYABLE)		
Interest Receivable - deposits	<u>140</u>	<u>81</u>
Interest Payable - Bank Loans and overdraft	<u>15,071</u>	<u>12,170</u>
8. TAX ON PROFIT ON ORDINARY ACTIVITIES		
In respect of the year:		
Corporation tax based on the results for the year at 21% (1997 - 21%)	7,400	7,800
Adjustment in respect of previous years:		
Corporation tax	<u>896</u>	<u>491</u>
	<u>8,296</u>	<u>8,291</u>

JANTA FASHIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 1998****9. TANGIBLE FIXED ASSETS**

	Freehold, Leasehold Property	Plant & Machinery	Fixtures & Fittings	Motor Vehicles	Equipment	Total
	£	£	£	£	£	£
COST						
At 1 Apr 1997	252,630	44,300	3,879	52,539	8,869	362,217
Additions	13,925	1,150	-	11,935	-	27,010
At 31 Mar 1998	<u>266,555</u>	<u>45,450</u>	<u>3,879</u>	<u>64,474</u>	<u>8,869</u>	<u>389,227</u>
DEPRECIATION						
At 1 Apr 1997	-	28,803	3,167	37,584	6,263	75,817
Charge for the year	1,393	4,062	178	6,723	652	13,008
At 31 Mar 1998	<u>1,393</u>	<u>32,865</u>	<u>3,345</u>	<u>44,307</u>	<u>6,915</u>	<u>88,825</u>
NET BOOK VALUE						
At 31 Mar 1998	<u>265,162</u>	<u>12,585</u>	<u>534</u>	<u>20,167</u>	<u>1,954</u>	<u>300,402</u>
At 31 Mar 1997	<u>252,630</u>	<u>15,497</u>	<u>712</u>	<u>14,955</u>	<u>2,606</u>	<u>286,400</u>

Finance lease agreements

Included within the net book value of £300,402 is £7,145 (1997 - £7,145) relating to assets held under finance lease agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £(2,984) (1997 - £Nil).

10. STOCK

	1998 £	1997 £
Stock of materials and finished goods	<u>£60,100</u>	<u>£62,500</u>

11. DEBTORS

	1998 £	1997 £
Trade debtors	254,028	213,525
VAT recoverable	5,790	367
Other debtors	-	27,926
ACT recoverable	-	8,750
Prepayments and accrued income	<u>2,472</u>	<u>3,657</u>
	<u>262,290</u>	<u>254,225</u>

JANTA FASHIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 1998****12. CREDITORS: Amounts falling due within one year**

	1998		1997	
	£	£	£	£
Bank loans and overdrafts		112,233		99,283
Trade creditors		227,403		195,215
Other creditors including:				
Corporation tax	18,570		36,456	
PAYE and social security	10,096		15,012	
Finance leases	4,878		-	
Other creditors	21,432		16,085	
Directors current accounts	42,871		44,833	
		97,847		112,386
Accruals and deferred income		5,400		8,563
		<u>442,883</u>		<u>415,447</u>

13. CREDITORS: Amounts falling due after more than one year

	1998	1997
	£	£
Bank loans and overdrafts	44,472	75,529
Other creditors including:		
Finance leases	<u>1,245</u>	<u>-</u>
	<u>45,717</u>	<u>75,529</u>

The bank loans are secured on the freehold properties of the company, and the directors have also given personal guarantees in respect of the banking facilities.

14. COMMITMENTS UNDER OPERATING LEASES

At 31st March 1998 the company had aggregate annual commitments under non-cancellable operating leases rentals of £13,200 in respect of the factory at gravesend.

JANTA FASHIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 1998****15. RELATED PARTY TRANSACTIONS**

The company has an agreement with the director, Mr J S Rai, for rental of the factory premises at Gravesend at a monthly rental of £1,100.

There were no other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

16. SHARE CAPITAL**Authorised share capital:**

	1998 £	1997 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
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17. PROFIT AND LOSS ACCOUNT

	1998 £	1997 £
Balance brought forward	113,440	90,181
Retained profit for the financial year	<u>23,578</u>	<u>23,259</u>
Balance carried forward	<u>137,018</u>	<u>113,440</u>

18. CONTINGENT LIABILITIES

There were no contingent liabilities as at the year end which were required to be disclosed as at the year end.