

JANTA FASHIONS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1997

Company Registration Number 2431684

BAJAJ & COMPANY

Registered Auditors &
Chartered Accountants
410-420 Rayners Lane
Pinner, Middx HA5 5DY



JANTA FASHIONS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1997

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JANTA FASHIONS LIMITEDTHE DIRECTORS' REPORTYEAR ENDED 31ST MARCH 1997

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 1997.

PRINCIPAL ACTIVITIES

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

The profit for the year after taxation and the manner in which that profit has been dealt with is set out on page 4 of these financial statements. In the opinion of the directors the Company was in a satisfactory position as at the year end.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

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

	Ordinary Shares of £1 each	
	At 31 Mar 97	At 1 Apr 96
MR J. S. RAI	50	50
MR P. S. KHAK	50	50
	=====	=====

FIXED ASSETS

The acquisitions and disposals of fixed assets are recorded in the notes to the accounts. In the opinion of the directors the residual value of the freehold land and buildings is likely to exceed the cost stated in the balance sheet and with the regular repairs and maintenance the value will not diminish. Hence there is no provision required for depreciation of the land and buildings in these accounts.

The Company acquired in December 1997, a new freehold factory in Gravesend as part of its planned growth.

AUDITORS

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

Contd.

JANTA FASHIONS LIMITED

THE DIRECTORS' REPORT (continued)

YEAR ENDED 31ST MARCH 1997

SMALL COMPANY EXEMPTIONS

In preparing their report, the directors have taken advantage of the special exemptions from disclosure conferred by Part II of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

Approved by the directors on 29th January 1998

JAGTAR SINGH RAI
Company secretary

A handwritten signature in dark ink, appearing to read 'Jagtar Singh Rai', with a long horizontal stroke extending to the right.

Registered office:
273 Commercial Road
London E 1

Signed on behalf of the directors

JANTA FASHIONS LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31ST MARCH 1997

We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described in the directors' report, the directors of the company 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 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 circumstances of the company, consistently applied and adequately disclosed.

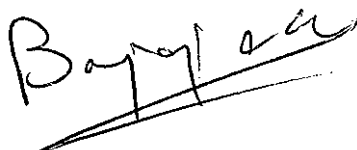
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 affairs of the company as at 31st March 1997 and of its profit for the year then ended, and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

BAJAJ & COMPANY

Registered Auditors
410-420 Rayners Lane
Pinner, Middx
HA5 5DY



29th January 1998

JANTA FASHIONS LIMITEDPROFIT AND LOSS ACCOUNTYEAR ENDED 31ST MARCH 1997

	Note	1997 £	1996 £
TURNOVER	3	916,718	975,472
LESS: Cost of sales		(693,477)	(737,568)
		-----	-----
GROSS PROFIT		223,241	237,904
Distribution costs		(2,435)	-
Administrative expenses		(177,167)	(150,040)
		-----	-----
OPERATING PROFIT	4	43,639	87,864
Interest receivable and similar income	5	81	338
Interest payable and similar charges	8	(12,170)	(13,767)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		31,550	74,435
LESS:			
Tax on profit on ordinary activities	9	(8,292)	(19,450)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		23,258	54,985
Balance brought forward		90,182	35,197
		-----	-----
BALANCE CARRIED FORWARD		£113,440 =====	£90,182 =====

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

The notes on pages 6 to 10 form part of these financial statements.

JANTA FASHIONS LIMITEDBALANCE SHEET31ST MARCH 1997

	Note	£	1997 £	£	1996 £
FIXED ASSETS					
Tangible assets	10		286,400		293,046
CURRENT ASSETS					
Stocks	11	62,500		15,600	
Debtors	12	254,225		197,359	
Cash at bank and in hand		1,391		10,978	

		318,116		223,937	
CREDITORS: Amounts falling due within one year	13	(415,447)		(331,151)	

NET CURRENT LIABILITIES			(97,331)		(107,214)
			-----		-----
TOTAL ASSETS LESS CURRENT LIABILITIES			189,069		185,832
CREDITORS: Amounts falling due after more than one year	14		(75,529)		(95,550)
			-----		-----
NET ASSETS			£113,540		£90,282
			=====		=====
CAPITAL AND RESERVES					
Equity share capital	15		100		100
Profit and loss account			113,440		90,182
			-----		-----
SHAREHOLDERS' FUNDS	16		£113,540		£90,282
			=====		=====

In preparing these accounts, the directors have taken advantage of the special accounting exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 on the basis that, in their opinion, the company qualifies as a small company.

These financial statements were approved by the directors on the 29th January 1998.

Directors (J. S. RAI
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(P. S. KAKH



Signed on their behalf of the Board of directors

The notes on pages 6 to 10 form part of these financial statements.

JANTA FASHIONS LIMITEDNOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31ST MARCH 1997**1. 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 below, and then apply them on a consistent basis, making judgements 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.

2. ACCOUNTING POLICIES**Basis of accounting**

The financial statements have been prepared under the historical cost convention.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

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:

Tangible Assets:

Plant and Machinery	25% on written down value
Fixtures and fittings	25% on written down value
Office Equipment	25% on written down value
Motor Vehicles	25% on written down value

No depreciation has been provided on the freehold land and buildings since in the opinion of the Directors, the properties are being properly maintained and the residual value will exceed the original cost.

Stocks

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

JANTA FASHIONS LIMITEDNOTES TO THE FINANCIAL STATEMENTS -contYEAR ENDED 31ST MARCH 1997

3. TURNOVER

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

An analysis of the turnover is given below:

	1997	1996
	£	£
United Kingdom and EEC	891,590	929,752
Overseas	25,128	45,720
	-----	-----
	916,718	975,472
	=====	=====

4. OPERATING PROFIT

Operating profit is stated after charging:

Directors' emoluments	20,001	20,000
Depreciation	11,257	13,388
Loss on disposal of fixed assets	-	3,014
Auditors' fees	1,700	1,775
Operating lease costs:		
Plant and equipment	186	-
	=====	=====

5. PARTICULARS OF EMPLOYEES

The aggregate costs of the company's employees were:

Wages and Salaries	106,746	111,843
Social Security costs	5,089	5,025
Pension and health premium	8,774	8,292
	-----	-----
	120,609	125,160
	=====	=====
	No.	No.

The aggregate number of persons employed by the company including directors was:

21	22
===	===

1997	1996
£	£

6. DIRECTORS REMUNERATION

Remuneration as directors	20,001	20,000
	=====	=====

7. INTEREST RECEIVABLE AND SIMILAR INCOME

Bank interest receivable	81	338
	=====	=====

JANTA FASHIONS LIMITEDNOTES TO THE FINANCIAL STATEMENTS - cont.YEAR ENDED 31ST MARCH 1997

	1997 £	1996 £
8. INTEREST PAYABLE AND SIMILAR CHARGES		
Bank Loans and overdraft	12,170 =====	13,767 =====

9. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Corporation tax is based on the results for the year at 24% (1996 -25%)	7,800	19,450
Interest on taxation	491 -----	- -----
	8,291 =====	19,450 =====

10. TANGIBLE FIXED ASSETS

	Freehold Plant & Property	Machin- ery	Fixtures & Fitt ings	Motor Vehicles	Equipment	Total
	£	£	£	£	£	£
COST						
At 1 Apr 1996	252,630	41,340	3,879	50,888	8,869	357,606
Additions	-	2,960	-	1,651	-	4,611
	-----	-----	-----	-----	-----	-----
At 31 Mar 1997	252,630	44,300	3,879	52,539	8,869	362,217
	=====	=====	=====	=====	=====	=====
DEPRECIATION						
At 1 Apr 1996	-	23,638	2,930	32,598	5,394	64,560
Charge for the year	-	5,165	237	4,986	869	11,257
	-----	-----	-----	-----	-----	-----
At 31 Mar 1997	-	28,803	3,167	37,584	6,263	75,817
	=====	=====	=====	=====	=====	=====
NET BOOK VALUE						
At 31 Mar 1997	252,630	15,497	712	14,955	2,606	286,400
	=====	=====	=====	=====	=====	=====
At 31 Mar 1996	252,630	17,702	949	18,291	3,475	293,046
	=====	=====	=====	=====	=====	=====

	1997 £	1996 £
11. STOCK		
Raw Materials	£62,500 =====	£15,600 =====

JANTA FASHIONS LIMITEDNOTES TO THE FINANCIAL STATEMENTS - cont.YEAR ENDED 31ST MARCH 1997

	1997 £	1996 £
12. DEBTORS		
Trade debtors	213,525	135,713
VAT recoverable	367	16,109
Other debtors	36,676	42,724
Prepayments and accrued income	3,657	2,813
	-----	-----
	254,225	197,359
	=====	=====
 13. CREDITORS: Amounts falling due within one year		
Bank loans and overdrafts	99,283	88,943
Trade creditors	195,215	126,218
Other creditors including:		
Corporation Tax	36,456	33,656
Other taxation	15,012	21,057
Other creditors	16,085	35,545
Directors current accounts	44,833	3,002
Other creditors	-	8,750
	-----	-----
	112,386	102,010
Accruals and deferred income	8,563	13,980
	-----	-----
	415,447	331,151
	=====	=====
 14. CREDITORS: Amounts falling due after more than one year		
Bank loans and overdrafts	£75,529	£95,550
	=====	=====

The bank loans and overdrafts are secured on the fixed and floating assets of the company and are covered also by additional directors guarantees.

15. SHARE CAPITAL

Authorised share capital:

100 Ordinary shares of £1 each	£100	£100
	=====	=====

Allotted, called up and fully paid:

100 Ordinary shares of £1 each	£100	£100
	=====	=====

JANTA FASHIONS LIMITEDNOTES TO THE FINANCIAL STATEMENTS - cont.YEAR ENDED 31ST MARCH 1997

	1997 £	1996 £
16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
Profit for the financial year	23,258	54,985
Opening shareholders' equity funds	90,282	35,297
Closing shareholders' equity funds	----- 113,540 =====	----- 90,282 =====

17. CONTINGENT LIABILITIES

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