

Company Registration No. 02717838 (England and Wales)

LUCKY JOE LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2004



LUCKY JOE LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Auditors' report	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7
Notes to the abbreviated accounts	8 - 19

LUCKY JOE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2004

The directors present their report and financial statements for the year ended 31 October 2004.

Principal activities and review of the business

The principal activity of the company continued to be that of fashion retailers.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividends

The results for the year are set out on page 4.

An interim ordinary dividend was paid amounting to £50,000. The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 1 November 2003:

T W Chapman
R E Chapman

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	31 October 2004	1 November 2003
T W Chapman	37,500	37,500
R E Chapman	12,500	12,500

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Ivan Sopher & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

LUCKY JOE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2004

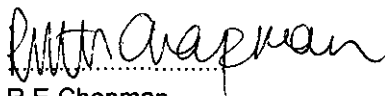
Directors' responsibilities

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 and of the profit or loss of the company 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;
- 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. They 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.

On behalf of the board



R E Chapman

Director

28 July 2005

LUCKY JOE LIMITED

INDEPENDENT AUDITORS' REPORT TO LUCKY JOE LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 4 to 19, together with the financial statements of the company for the year ended 31 October 2004 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 247B 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

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 19 are properly prepared in accordance with that provision.



Ivan Sopher & Co

Chartered Accountants
Registered Auditor

28 July 2005

Chartered Accountants,
5 Elstree Gate,
Elstree Way,
Borehamwood,
Herts. WD6 1JD

LUCKY JOE LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 OCTOBER 2004

	Notes	2004 £	2003 £
Gross profit		4,854,730	3,304,425
Distribution costs		(288,663)	(310,580)
Administrative expenses		(4,011,320)	(3,240,826)
Operating profit/(loss)	2	554,747	(246,981)
Other interest receivable and similar income		3	8,873
Interest payable and similar charges	3	(110,311)	(68,146)
Profit/(loss) on ordinary activities before taxation		444,439	(306,254)
Tax on profit/(loss) on ordinary activities	4	(93,178)	57,212
Profit/(loss) on ordinary activities after taxation		351,261	(249,042)
Dividends	5	(50,000)	(160,000)
Retained profit/(loss) for the year	16	301,261	(409,042)

LUCKY JOE LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 OCTOBER 2004

	Notes	2004 £	£	2003 £	£
Fixed assets					
Intangible assets	6		56,435		50,575
Tangible assets	7 and 8		1,811,416		1,938,384
			<u>1,867,851</u>		<u>1,988,959</u>
Current assets					
Stocks	9	1,984,644		2,153,194	
Debtors	10	1,113,462		723,002	
Cash at bank and in hand		6,378		9,469	
			<u>3,104,484</u>		<u>2,885,665</u>
Creditors: amounts falling due within one year	11	(3,690,093)		(3,912,467)	
Net current liabilities			<u>(585,609)</u>		<u>(1,026,802)</u>
Total assets less current liabilities			1,282,242		962,157
Creditors: amounts falling due after more than one year	12		(603,018)		(644,521)
Provisions for liabilities and charges	13		(94,150)		(33,823)
			<u>585,074</u>		<u>283,813</u>
Capital and reserves					
Called up share capital	15		50,000		50,000
Revaluation reserve	16		215,378		218,480
Profit and loss account	16		319,696		15,333
Shareholders' funds - equity interests	17		<u>585,074</u>		<u>283,813</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The financial statements were approved by the Board on 28 July 2005.

T W Chapman
Director

LUCKY JOE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2004

	2004		2003	
	£	£	£	£
Net cash inflow from operating activities		157,751		571,045
Returns on investments and servicing of finance				
Interest received	3		-	
Interest paid	(99,925)		(68,146)	
Net cash outflow for returns on investments and servicing of finance		(99,922)		(68,146)
Taxation		29,339		(5,737)
Capital expenditure				
Payments to acquire intangible assets	(18,177)		(50,575)	
Payments to acquire tangible assets	(158,894)		(618,818)	
Net cash outflow for capital expenditure		(177,071)		(669,393)
Equity dividends paid		(50,000)		(160,000)
Net cash outflow before management of liquid resources and financing		(139,903)		(332,231)
Financing				
New long term bank loan	578,000		535,828	
Other new short term loans	23,000		71,672	
Repayment of long term bank loan	(597,080)		(86,970)	
Repayment of other short term loans	(70,000)		-	
Capital element of hire purchase contracts	(28,907)		(19,654)	
Capital element of finance lease contracts	(35,819)		(16,062)	
Net cash (outflow)/inflow from financing		(130,806)		484,814
(Decrease)/increase in cash in the year		(270,709)		152,583

LUCKY JOE LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2004

1	Reconciliation of operating profit/(loss) to net cash inflow from operating activities	2004	2003
		£	£
	Operating profit/(loss)	554,747	(246,981)
	Depreciation of tangible assets	216,358	151,427
	Amortisation of intangible assets	12,317	-
	Decrease/(increase) in stocks	168,550	(235,392)
	(Increase)/decrease in debtors	(452,650)	58,420
	(Decrease)/Increase in creditors within one year	(341,571)	843,571
	Net cash inflow from operating activities	157,751	571,045

2	Analysis of net debt	1 November 2003	Cash flow	Other non-cash changes	31 October 2004
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	9,469	(3,091)	-	6,378
	Bank overdrafts	(360,221)	(267,618)	-	(627,839)
		<u>(350,752)</u>	<u>(270,709)</u>	<u>-</u>	<u>(621,461)</u>
	Debt:				
	Finance leases	(133,323)	64,540	(11,985)	(80,768)
	Debts falling due within one year	(141,672)	66,172	-	(75,500)
	Debts falling due after one year	(571,358)	(92)	-	(571,450)
		<u>(846,353)</u>	<u>130,620</u>	<u>(11,985)</u>	<u>(727,718)</u>
	Net debt	(1,197,105)	(140,089)	(11,985)	(1,349,179)

3	Reconciliation of net cash flow to movement in net debt	2004	2003
		£	£
	(Decrease)/increase in cash in the year	(270,709)	152,583
	Cash outflow/(inflow) from decrease/(increase) in debt and lease financing	130,620	(557,942)
	Change in net debt resulting from cash flows	(140,089)	(405,359)
	New finance lease	(11,985)	(64,909)
	Movement in net debt in the year	(152,074)	(470,268)
	Opening net debt	(1,197,105)	(726,837)
	Closing net debt	(1,349,179)	(1,197,105)

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2004

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of leasehold land and buildings.

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand.

The directors have reviewed the financial and cash flow position for the period ending 9 months from the date of their approval of these financial statements. On the basis of this information and discussions with the company's bankers, the directors consider that the company will continue to operate within the facility currently agreed.

However, the margin of facilities over requirements is not large and, inherently there can be no certainty in relation to these matters. The directors have provided substantial personal guarantees to the bank and will continue to do so. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the overdraft facility by the company's bankers.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT.

1.3 Intangible asset - website

Amortisation is calculated to write off the cost in equal annual instalments over the estimated useful life.

1.4 Tangible fixed assets and depreciation

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

Land and buildings Leasehold	See below
Fixtures, fittings and equipment	15% reducing balance from the month of acquisition
Motor vehicles	25% reducing balance from the month of acquisition

Depreciation is not provided on leasehold property on an annual basis. The directors have adopted a policy of performing an annual valuation of the leasehold property to ensure that the current valuation is not less the book value. Where the current valuation is less than the book value the difference is adjusted in the profit and loss account. The revaluation is reflected in the accounts if the current value is materially higher than the book value.

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the unexpired lease term is less than 20 years.

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2004

1 Accounting policies

(continued)

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

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

1.7 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.8 Deferred taxation

The accounting policy in respect of deferred tax reflects the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

No provision has been made for deferred tax on gains recognised on revaluing property to its market value as the company does not intend to sell the revalued assets.

2 Operating profit/(loss)

2004
£

2003
£

Operating profit/(loss) is stated after charging:

Amortisation of intangible assets

12,317

-

Depreciation of tangible assets

216,358

151,427

Operating lease rentals

805,636

512,814

Auditors' remuneration

17,000

17,000

3 Interest payable

2004
£

2003
£

On bank loans and overdrafts

99,595

58,587

Hire purchase interest

330

8,762

On overdue tax

10,386

797

110,311

68,146

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2004

4	Taxation	2004 £	2003 £
	Domestic current year tax		
	U.K. corporation tax	32,851	-
	Adjustment for prior years	-	(24,464)
	Current tax charge	32,851	(24,464)
	Deferred tax		
	Deferred tax charge/credit current year	60,327	(32,748)
		93,178	(57,212)
	Factors affecting the tax charge for the year		
	Profit/(loss) on ordinary activities before taxation	444,439	(306,254)
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2003: 19.00%)	84,443	(58,188)
	Effects of:		
	Non deductible expenses	9,265	5,929
	Depreciation add back	41,108	28,771
	Capital allowances	(33,521)	(64,602)
	Tax losses	(62,674)	90,107
	Adjustments to previous periods	-	(24,464)
	Other tax adjustments	(5,770)	(2,017)
		(51,592)	33,724
	Current tax charge	32,851	(24,464)

The company has estimated losses of £ nil (2003: £ 330,045) available for carry forward against future trading profits.

5	Dividends	2004 £	2003 £
	Ordinary interim paid	50,000	160,000

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2004

6 Intangible fixed assets

	Website £
Cost	
At 1 November 2003	50,575
Additions	18,177
	<hr/>
At 31 October 2004	68,752
	<hr/>
Amortisation	
At 1 November 2003	-
Charge for the year	12,317
	<hr/>
At 31 October 2004	12,317
	<hr/>
Net book value	
At 31 October 2004	56,435
	<hr/>
At 31 October 2003	50,575
	<hr/>

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2004

7 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 November 2003	607,819	1,970,205	15,266	2,593,290
Additions	41,400	47,990	-	89,390
At 31 October 2004	649,219	2,018,195	15,266	2,682,680
Depreciation				
At 1 November 2003	-	714,529	8,513	723,042
Charge for the year	-	202,623	1,871	204,494
At 31 October 2004	-	917,152	10,384	927,536
Net book value				
At 31 October 2004	649,219	1,101,043	4,882	1,755,144
At 31 October 2003	607,819	1,255,676	6,753	1,870,248

The leasehold properties were revalued at 31 July 2001, on an existing value basis by Taylor Forrest, Chartered Surveyors. In the directors opinion there has been no material change to the value of those leasehold properties at 31 October 2004.

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

	£
Cost	
At 1 November 2003	548,708
Additions	41,401
At 31 October 2004	590,109
Depreciation based on cost	
At 1 November 2003	209,523
Charge for the year	68,489
At 31 October 2004	278,012
Net book value	
At 31 October 2004	312,097
At 31 October 2003	339,185

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2004

7 Tangible fixed assets (continued)

Included above are assets held under finance leases or hire purchase contracts as follows:

	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Net book values			
At 31 October 2004	143,164	4,161	147,325
At 31 October 2003	156,444	4,895	161,339
Depreciation charge for the year			
31 October 2004	25,265	734	25,999
31 October 2003	14,185	1,632	15,817

8 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 November 2003 & at 31 October 2004	80,000
Depreciation	
At 1 November 2003	11,864
Charge for the year	11,864
At 31 October 2004	23,728
Net book value	
At 31 October 2004	56,272
At 31 October 2003	68,136

9 Stocks	2004 £	2003 £
Finished goods and goods for resale	1,984,644	2,153,194

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2004

10 Debtors	2004	2003
	£	£
Trade debtors	356,835	223,880
Corporation tax	2,311	64,501
Other debtors	494,373	193,928
Prepayments and accrued income	259,943	240,693
	<u>1,113,462</u>	<u>723,002</u>
11 Creditors: amounts falling due within one year	2004	2003
	£	£
Bank loans and overdrafts	703,339	501,893
Net obligations under hire purchase contracts	49,200	60,160
Trade creditors	2,070,193	2,467,844
Taxes and social security costs	738,024	597,926
Directors' current accounts	-	1,177
Other creditors	75,873	157,268
Accruals and deferred income	53,464	126,199
	<u>3,690,093</u>	<u>3,912,467</u>

Bank loans and overdraft are secured by a fixed and floating charge over the assets of the company and also by personal guarantees from the directors for £1,700,000.

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2004

12 Creditors: amounts falling due after more than one year	2004 £	2003 £
Bank loans	571,450	571,358
Net obligations under hire purchase contracts	31,568	73,163
	<u>603,018</u>	<u>644,521</u>
Analysis of loans		
Not wholly repayable within five years by instalments:		
Bank loan	594,450	590,530
Wholly repayable within five years	52,500	122,500
	<u>646,950</u>	<u>713,030</u>
Included in current liabilities	(75,500)	(141,672)
	<u>571,450</u>	<u>571,358</u>
Instalments not due within five years	<u>479,450</u>	<u>249,199</u>
Loan maturity analysis		
In more than one year but not more than two years	23,000	119,915
In more than two years but not more than five years	69,000	202,244
In more than five years	<u>479,450</u>	<u>249,199</u>
Bank loans and overdraft are secured by a fixed and floating charge over the assets of the company and also by personal guarantees from the directors for £1,700,000.		
Net obligations under hire purchase contracts		
Repayable within one year	57,118	69,492
Repayable between one and five years	35,761	84,772
	<u>92,879</u>	<u>154,264</u>
Finance charges and interest allocated to future accounting periods	(12,111)	(20,941)
	<u>80,768</u>	<u>133,323</u>
Included in liabilities falling due within one year	(49,200)	(60,160)
	<u>31,568</u>	<u>73,163</u>

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2004

13 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 November 2003	33,823
Profit and loss account	60,327
	<hr/>
Balance at 31 October 2004	94,150
	<hr/> <hr/>

The deferred tax liability is made up as follows:

	2004 £	2003 £
Accelerated capital allowances	94,150	96,532
Tax losses available	-	(62,709)
	<hr/>	<hr/>
	94,150	33,823
	<hr/> <hr/>	<hr/> <hr/>

14 Pension costs

Defined contribution

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.

	2004 £	2003 £
Contributions payable by the company for the year	17,926	17,040
	<hr/>	<hr/>

15 Share capital

	2004 £	2003 £
Authorised		
50,000 Ordinary shares of £1 each	50,000	50,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000
	<hr/>	<hr/>

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2004

16 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 November 2003	218,480	15,333
Retained profit for the year	-	301,261
Transfer from revaluation reserve to profit and loss account	-	3,102
Depreciation written back	(3,102)	-
Balance at 31 October 2004	<u>215,378</u>	<u>319,696</u>

17 Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit/(Loss) for the financial year	351,261	(249,042)
Dividends	(50,000)	(160,000)
Net addition to/(depletion in) shareholders' funds	<u>301,261</u>	<u>(409,042)</u>
Opening shareholders' funds	283,813	692,855
Closing shareholders' funds	<u>585,074</u>	<u>283,813</u>

18 Financial commitments

At 31 October 2004 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2004 £	2003 £	2004 £	2003 £
Expiry date:				
Between two and five years	159,500	159,500	2,285	2,285
In over five years	538,580	538,580	-	-
	<u>698,080</u>	<u>698,080</u>	<u>2,285</u>	<u>2,285</u>

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2004

19 Directors' emoluments	2004 £	2003 £
Emoluments for qualifying services	96,000	96,000
Company pension contributions to money purchase schemes	17,926	17,040
	<u>113,926</u>	<u>113,040</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2003- 2).

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2004 Number	2003 Number
Office and administration	27	24
Sales and marketing	83	74
	<u>110</u>	<u>98</u>

Employment costs

	£	£
Wages and salaries	1,783,997	1,559,200
Social security costs	157,897	136,747
Other pension costs	17,926	17,040
	<u>1,959,820</u>	<u>1,712,987</u>

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2004

21 Related party transactions

During the year the following related party transactions took place within the normal course of business:

Sales of goods and services	2004	2003
To the Max Mara Partnership:	£	£
Rent and services	124,576	69,416
Management fees	180,000	192,723
	<u> </u>	<u> </u>

As at the balance sheet date, the following debit/(credit) balances existed with related parties:

Max Mara Partnership	<u>206,285</u>	<u>(89,778)</u>
----------------------	----------------	-----------------

The Max Mara Partnership is an unincorporated business in which the directors Mr T and Mrs R Chapman are partners.