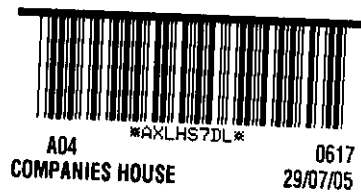


Company Registration No. 02717838 (England and Wales)

LUCKY JOE LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 OCTOBER 2003



LUCKY JOE LIMITED

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LUCKY JOE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2003

The directors present their report and financial statements for the year ended 31 October 2003.

Principal activities and review of the business

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

During the year the company refurbished two shops and added a further two outlets to its portfolio towards the end of the year. As a result of the refurbishments there was disruption to the company's trade and turnover was adversely affected. The company has returned to profitability in the following financial year as the business returned to full capacity and the two new stores have provided a full year of contribution.

Results and dividends

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

An interim ordinary dividend was paid amounting to £160,000. The directors do not recommend payment of a final dividend.

Directors

The following directors have held office since 1 November 2002:

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 2003	1 November 2002
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 2003

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 2003 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 2003

	Notes	2003 £	2002 £
Gross profit		3,304,425	4,580,217
Distribution costs		(310,580)	(256,118)
Administrative expenses		(3,240,826)	(4,020,435)
Operating (loss)/profit	2	(246,981)	303,664
Other interest receivable and similar income		8,873	280
Interest payable and similar charges	3	(68,146)	(72,101)
(Loss)/profit on ordinary activities before taxation		(306,254)	231,843
Tax on (loss)/profit on ordinary activities	4	57,212	(56,154)
(Loss)/profit on ordinary activities after taxation		(249,042)	175,689
Dividends	5	(160,000)	(145,000)
Retained (loss)/profit for the year	16	(409,042)	30,689

LUCKY JOE LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 OCTOBER 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Intangible assets	6	50,575		-	
Tangible assets	7 and 8	1,938,384		1,251,281	
		<u>1,988,959</u>		<u>1,251,281</u>	
Current assets					
Stocks	9	2,153,194		1,917,802	
Debtors	10	723,002		775,888	
Cash at bank and in hand		9,469		6,274	
		<u>2,885,665</u>		<u>2,699,964</u>	
Creditors: amounts falling due within one year	11	<u>(3,912,467)</u>		<u>(3,051,534)</u>	
Net current liabilities			(1,026,802)		(351,570)
Total assets less current liabilities			962,157		899,711
Creditors: amounts falling due after more than one year	12		(644,521)		(140,284)
Provisions for liabilities and charges	13		<u>(33,823)</u>		<u>(66,572)</u>
			<u>283,813</u>		<u>692,855</u>
Capital and reserves					
Called up share capital	15	50,000		50,000	
Revaluation reserve	16	218,480		221,583	
Profit and loss account	16	15,333		421,272	
Shareholders' funds - equity interests	17	<u>283,813</u>		<u>692,855</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 2003

	2003		2002	
	£	£	£	£
Net cash inflow from operating activities		571,045		650,517
Returns on investments and servicing of finance				
Interest received	-		280	
Interest paid	(68,146)		(68,938)	
Net cash outflow for returns on investments and servicing of finance		(68,146)		(68,658)
Taxation		(5,737)		1,000
Capital expenditure				
Payments to acquire intangible assets	(50,575)		-	
Payments to acquire tangible assets	(618,818)		(245,231)	
Receipts from sales of tangible assets	-		120,111	
Net cash outflow for capital expenditure		(669,393)		(125,120)
Equity dividends paid		(160,000)		(145,000)
Net cash (outflow)/inflow before management of liquid resources and financing		(332,231)		312,739
Financing				
New long term bank loan	535,828		-	
Other new short term loans	71,672		10,000	
Repayment of long term bank loan	(86,970)		(87,500)	
Capital element of hire purchase contracts	(19,654)		-	
Capital element of finance lease contracts	(16,062)		(125,071)	
Net cash inflow/(outflow) from financing		484,814		(202,571)
Increase in cash in the year		152,583		110,168

LUCKY JOE LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 OCTOBER 2003

1	Reconciliation of operating (loss)/profit to net cash inflow from operating activities		2003	2002
			£	£
	Operating (loss)/profit		(246,981)	303,664
	Depreciation of tangible assets		151,427	195,792
	Loss on disposal of tangible assets		-	1,198
	Increase in stocks		(235,392)	(287,182)
	Decrease/(increase) in debtors		58,420	(170,973)
	Increase in creditors within one year		843,571	608,018
	Net cash inflow from operating activities		571,045	650,517

2	Analysis of net debt	1 November 2002	Cash flow	Other non-cash changes	31 October 2003
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	6,274	3,195	-	9,469
	Bank overdrafts	(509,609)	149,388	-	(360,221)
		(503,335)	152,583	-	(350,752)
	Debt:				
	Finance leases	(31,002)	(37,412)	(64,909)	(133,323)
	Debts falling due within one year	(70,000)	(71,672)	-	(141,672)
	Debts falling due after one year	(122,500)	(448,858)	-	(571,358)
		(223,502)	(557,942)	(64,909)	(846,353)
	Net debt	(726,837)	(405,359)	(64,909)	(1,197,105)

3	Reconciliation of net cash flow to movement in net debt	2003	2002
		£	£
	Increase in cash in the year	152,583	110,168
	Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(557,942)	202,571
	Change in net debt resulting from cash flows	(405,359)	312,739
	New finance lease	(64,909)	-
	Movement in net debt in the year	(470,268)	312,739
	Opening net debt	(726,837)	(1,039,576)
	Closing net debt	(1,197,105)	(726,837)

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 OCTOBER 2003

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 considered the financial position and cash flow 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 than 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 2003

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 (loss)/profit

2003

2002

£

£

Operating (loss)/profit is stated after charging:

Depreciation of tangible assets

151,427

195,792

Loss on disposal of tangible assets

-

1,198

Operating lease rentals

512,814

568,114

Auditors' remuneration

17,000

25,000

and after crediting:

=====

=====

3 Interest payable

2003

2002

£

£

On bank loans and overdrafts

58,587

49,445

Hire purchase interest

8,762

19,493

On overdue tax

797

3,163

68,146

72,101

=====

=====

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

4	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	-	32,539
	Adjustment for prior years	(24,464)	-
	Current tax charge	(24,464)	32,539
	Deferred tax		
	Deferred tax charge/credit current year	(32,748)	23,615
		(57,212)	56,154
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(306,254)	231,843
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2002: 19.53%)	(58,188)	45,279
	Effects of:		
	Non deductible expenses	5,929	1,955
	Depreciation add back	28,771	38,238
	Capital allowances	(64,602)	(53,167)
	Tax losses	90,107	-
	Adjustments to previous periods	(24,464)	-
	Chargeable disposals	-	234
	Other tax adjustments	(2,017)	-
		33,724	(12,740)
	Current tax charge	(24,464)	32,539

The company has estimated losses of £ 330,045 (2002: £ nil) available for carry forward against future trading profits.

5	Dividends	2003 £	2002 £
	Ordinary interim paid	160,000	145,000

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

6 Intangible fixed assets

	Website £
Cost	
At 1 November 2002	-
Additions	50,575
	<hr/>
At 31 October 2003	50,575
	<hr/>
Net book value	
At 31 October 2003	50,575
	<hr/>
At 31 October 2002	-
	<hr/>

As at the balance sheet date, the website was under construction, therefore no depreciation has been provided.

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

7 Tangible fixed assets

	Land and buildings Leasehold £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 November 2002	427,500	1,314,298	13,037	1,754,835
Additions	180,319	655,907	2,229	838,455
At 31 October 2003	607,819	1,970,205	15,266	2,593,290
Depreciation				
At 1 November 2002	-	577,044	6,510	583,554
Charge for the year	-	137,485	2,003	139,488
At 31 October 2003	-	714,529	8,513	723,042
Net book value				
At 31 October 2003	607,819	1,255,676	6,753	1,870,248
At 31 October 2002	427,500	737,254	6,527	1,171,281

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 2003.

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

	£
Cost	
At 1 November 2002	368,389
Additions	180,319
At 31 October 2003	548,708
Depreciation based on cost	
At 1 November 2002	151,197
Charge for the year	58,326
At 31 October 2003	209,523
Net book value	
At 31 October 2003	339,185
At 31 October 2002	158,937

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

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 2003	156,444	4,895	161,339
At 31 October 2002	32,669	6,527	39,196
Depreciation charge for the year			
31 October 2003	14,185	1,632	15,817
31 October 2002	10,161	42,601	52,762

8 Tangible fixed assets

	Investment properties £
Cost or valuation	
At 1 November 2002 & at 31 October 2003	80,000
Depreciation	
At 1 November 2002	-
Charge for the year	11,864
At 31 October 2003	11,864
Net book value	
At 31 October 2003	68,136

9 Stocks

	2003 £	2002 £
Finished goods and goods for resale	2,153,194	1,917,802

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

10 Debtors	2003 £	2002 £
Trade debtors	223,880	172,912
Corporation tax	64,501	67,840
Other debtors	193,928	295,173
Prepayments and accrued income	240,693	239,963
	<u>723,002</u>	<u>775,888</u>
11 Creditors: amounts falling due within one year	2003 £	2002 £
Bank loans and overdrafts	501,893	579,609
Net obligations under hire purchase contracts	60,160	13,218
Trade creditors	2,467,844	1,743,788
Corporation tax	-	33,539
Other taxes and social security costs	597,926	428,583
Directors' current accounts	1,177	1,600
Other creditors	157,268	161,680
Accruals and deferred income	126,199	89,517
	<u>3,912,467</u>	<u>3,051,534</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 2003

12 Creditors: amounts falling due after more than one year	2003 £	2002 £
Bank loans	571,358	122,500
Net obligations under hire purchase contracts	73,163	17,784
	<u>644,521</u>	<u>140,284</u>
Analysis of loans		
Not wholly repayable within five years by instalments:		
Bank loan	590,530	-
Wholly repayable within five years	122,500	192,500
	<u>713,030</u>	<u>192,500</u>
Included in current liabilities	(141,672)	(70,000)
	<u>571,358</u>	<u>122,500</u>
Instalments not due within five years	<u>249,199</u>	<u>-</u>
Loan maturity analysis		
In more than one year but not more than two years	119,915	70,000
In more than two years but not more than five years	202,244	52,500
In more than five years	<u>249,199</u>	<u>-</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	69,492	17,978
Repayable between one and five years	84,772	18,824
	<u>154,264</u>	<u>36,802</u>
Finance charges and interest allocated to future accounting periods	(20,941)	(5,800)
	<u>133,323</u>	<u>31,002</u>
Included in liabilities falling due within one year	(60,160)	(13,218)
	<u>73,163</u>	<u>17,784</u>

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

13 Provisions for liabilities and charges

	Deferred tax liability £
Balance at 1 November 2002	66,572
Profit and loss account	(32,749)
	<hr/>
Balance at 31 October 2003	33,823
	<hr/>

The deferred tax liability is made up as follows:

	2003 £	2002 £
Accelerated capital allowances	96,532	66,572
Tax losses available	(62,709)	-
	<hr/>	<hr/>
	33,823	66,572
	<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.

	2003 £	2002 £
Contributions payable by the company for the year	17,040	21,300
	<hr/>	<hr/>

15 Share capital

	2003 £	2002 £
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 2003

16 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 November 2002	221,583	421,272
Retained loss for the year	-	(409,042)
Transfer from revaluation reserve to profit and loss account	-	3,103
Depreciation written back	(3,103)	-
Balance at 31 October 2003	<u>218,480</u>	<u>15,333</u>

17 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
(Loss)/Profit for the financial year	(249,042)	175,689
Dividends	(160,000)	(145,000)
Net (depletion in)/addition to shareholders' funds	(409,042)	30,689
Opening shareholders' funds	<u>692,855</u>	<u>662,166</u>
Closing shareholders' funds	<u>283,813</u>	<u>692,855</u>

18 Financial commitments

At 31 October 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2003 £	2002 £	2003 £	2002 £
Expiry date:				
Between two and five years	159,500	-	2,285	6,469
In over five years	<u>538,580</u>	<u>443,050</u>	<u>-</u>	<u>-</u>
	<u>698,080</u>	<u>443,050</u>	<u>2,285</u>	<u>6,469</u>

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

19 Directors' emoluments	2003 £	2002 £
Emoluments for qualifying services	96,000	158,759
Company pension contributions to money purchase schemes	17,040	21,300
	<u>113,040</u>	<u>180,059</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2002- 2).

20 Employees

Number of employees

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

	2003 Number	2002 Number
Office and administration	24	23
Sales and marketing	74	73
	<u>98</u>	<u>96</u>

Employment costs

	£	£
Wages and salaries	1,559,200	1,985,743
Social security costs	136,747	164,261
Other pension costs	17,040	21,300
	<u>1,712,987</u>	<u>2,171,304</u>

LUCKY JOE LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2003

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	2003	2002
To the Max Mara Partnership:	£	£
Rent and services	69,416	19,849
Management fees	192,723	45,000
	<u> </u>	<u> </u>

As at the balance sheet date, the following credit balances existed with related parties:

Max Mara Partnership	<u>89,778</u>	<u>45,360</u>
----------------------	---------------	---------------

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