

COPY FOR
REGISTRAR OF
COMPANIES

2722136

POSITIVE CLOTHING (LONDON) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 1996

RICHARD ANTHONY & COMPANY
Chartered Accountants



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POSITIVE CLOTHING (LONDON) LIMITED

YEAR ENDED 30TH JUNE 1996

COPY FOR
REGISTRAR OF
COMPANIES

Company Information

Director : J R Finn

Secretary : T Steele

Registration Number : 2722136

Registered Office : 13 Station Road
Finchley
London
N3 2SB

POSITIVE CLOTHING (LONDON) LIMITED

COPY FOR
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COMPANIES

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FOR THE YEAR ENDED 30TH JUNE 1996

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The following pages do not form part
of the statutory financial statements

POSITIVE CLOTHING (LONDON) LIMITED**REPORT OF THE DIRECTOR****COPY FOR
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The director presents her report with the financial statements of the company for the year ended 30th June 1996.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of design, manufacture and wholesale of ladies garments.

REVIEW OF BUSINESS

The director considers the results achieved on the ordinary activities before taxation to be satisfactory.

RESULTS AND DIVIDENDS

The results for the year are set out on page 3. The director does not recommend the payment of a dividend for the year.

FUTURE DEVELOPMENTS

There are no other significant developments taking place in respect of the company's affairs.

DIRECTORS

The directors who held office during the year and their beneficial interests in the issued ordinary share capital were as follows:

	<u>1996</u>	<u>1995</u>
L E Finn Esq (Res.20.11.96)	10	10
J R Finn (App.20.11.96)	90	-

**DIRECTOR'S
RESPONSIBILITIES**

Company law requires the director to prepare financial statements for each 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Continued/....

POSITIVE CLOTHING (LONDON) LIMITED

REPORT OF THE DIRECTOR

(Continued)


COPY FOR
REGISTRAR OF
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**DIRECTOR'S
RESPONSIBILITIES**
(continued)

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.

AUDITORS

In accordance with the Companies Act 1985, a resolution proposing the re-appointment of Richard Anthony & Company as Auditors to the Company will be put to the forthcoming Annual General Meeting.



Secretary - T Steele

Approved by the Board on this 16th day of May 1997

REPORT OF THE AUDITORS TO THE MEMBERS OF
POSITIVE CLOTHING (LONDON) LIMITED

COPY FOR
REGISTRAR OF
COMPANIES

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of the Director and Auditors

As described on page 1 and 2 the company's director is 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 director 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.

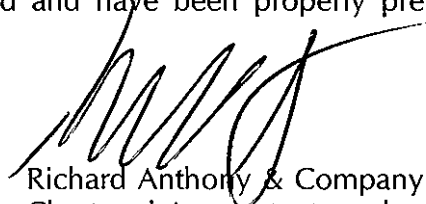
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Going Concern

In forming our opinion we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the uncertainty as to the ability of the company to continue to trade. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30th June 1996 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Richard Anthony & Company
Chartered Accountants and
Registered Auditors
13 Station Road
Finchley
London N3 2SB

Dated this

9th day of June

1997

COPY FOR
REGISTRAR OF
COMPANIES

POSITIVE CLOTHING (LONDON) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH JUNE 1996

	<u>NOTES</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>1995</u> <u>£</u>
TURNOVER	1(c),2		416,368		244,319
Cost of Sales			272,663		159,682
GROSS PROFIT			143,705		84,637
Distribution Costs		79,196		103,191	
Administrative Expenses		34,383		5,934	
			113,579		109,125
OPERATING PROFIT/(LOSS)	3		30,126		(24,488)
Interest Payable and Similar Charges	6		(10,313)		(3,245)
PROFIT/(LOSS) on ordinary activities before Taxation			19,813		(27,733)
TAXATION	7		-		-
PROFIT/(LOSS) on ordinary activities aftr Taxation			19,813		(27,733)
ACCUMULATED LOSS as at 1st July 1995 as previously stated		(339,540)		(279,074)	
Prior Year Adjustment	8	32,733		-	
			(306,807)		(279,074)
ACCUMULATED LOSS as at 30th June 1996			(286,994)		(306,807)

The company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 6 to 11 form an integral part of these financial statements.

COPY FOR
REGISTRAR OF
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	<u>NOTES</u>	<u>£</u>	<u>£</u>	<u>1995</u>	<u>£</u>
FIXED ASSETS					
Tangible Fixed Assets	1(d),9		20,205		-
CURRENT ASSETS					
Stocks	1(e),11	81,025		300	
Debtors	12	166,122		19,815	
		247,147		20,115	
CREDITORS: Amounts falling due within one year	13	228,454		(326,922)	
NET CURRENT LIABILITIES			18,693	(306,807)	
TOTAL ASSETS LESS CURRENT LIABILITIES			38,898	(306,807)	
CREDITORS: Amounts falling due after more than one year	14		325,792	-	
NET LIABILITIES			(286,894)	(306,807)	
CAPITAL AND RESERVES					
Called up Share Capital	15		100	100	
Profit and Loss Account			(286,994)	(306,907)	
SHAREHOLDERS' FUNDS	16		(286,894)	(306,807)	



Director - J R Finn

Approved by the Board on the 16th day of May 1997

The notes on pages 6 to 11 form an integral part of these financial statements.

POSITIVE CLOTHING (LONDON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 30TH JUNE 1996**

(Continued)

COPY FOR
REGISTRAR OF
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The turnover and profit before taxation is attributable to the one principal activity of the company, and all turnover, cost of sales and expenses arose in respect of continuing activities.

A geographical analysis of turnover is given below:

	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
United Kingdom	295,229	244,319
Europe	121,138	-
	<hr/>	<hr/>
	416,368	244,319
	<hr/>	<hr/>

3. OPERATING PROFIT

The operating profit (1995 - loss) is stated after charging:

	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Depreciation	1,672	-
Director's Remuneration	600	-
Auditor's Remuneration	3,000	-
	<hr/>	<hr/>

4. STAFF COSTS

Staff costs, including directors remuneration, were as follows:

	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Wages and Salaries	50,926	8,142
Social Security Costs	4,634	831
Redundancy Cost	-	260
	<hr/>	<hr/>
	55,560	9,233
	<hr/>	<hr/>

The average monthly number of employees during the year, including the director, was as follows:

	<u>2</u>	<u>-</u>
Office and Management	2	-
Production and Sales	12	2
	<hr/>	<hr/>

5. DIRECTORS REMUNERATION

Directors remuneration, excluding employers
National Insurance, amount to:

	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Fees	600	-
	<hr/>	<hr/>

POSITIVE CLOTHING (LONDON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 30TH JUNE 1996**

(Continued)

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REGISTRAR OF
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6. INTEREST PAYABLE AND SIMILAR CHARGES	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Bank Loans and Overdrafts	4,609	3,245
Factoring Interest	4,063	-
Factoring Charges	693	-
Other Interest	316	-
VAT Surcharge	632	-
	<hr/>	<hr/>
	10,313	3,245
	<hr/>	<hr/>

7. TAXATION

There were no corporation tax charge due to the fact that tax losses were available to bring forward and to set off against the profit for the year.

8. PRIOR YEAR ADJUSTMENT

The company received rebates from a supplier in respect of previous years purchases of £32,733. The director considers this is a correction of an error in previous years accounts in that the purchases and creditors were overstated and, therefore, believes that in a Prior Year Adjustment is the most appropriate method of reflecting the rebate.

9. TANGIBLE FIXED ASSETS

	Fixtures, Fittings, Plant & Machinery	Motor Vehicles	Total
	<u>£</u>	<u>£</u>	<u>£</u>
Cost:			
Additions during the Year and at 30th June 1996	2,877	19,000	21,877
	<hr/>	<hr/>	<hr/>
Depreciation:			
Charges for the Year and at 30th June 1996	72	1,600	1,672
	<hr/>	<hr/>	<hr/>
Net Book Value:			
At 30th June 1996	2,805	17,400	20,205
	<hr/>	<hr/>	<hr/>

POSITIVE CLOTHING (LONDON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 30TH JUNE 1996**

(Continued)

COPY FOR
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Capital expenditure commitments were as follows:

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Contracted but not provided for in the financial statements	Nil	Nil

11. STOCKS

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Raw Materials	5,695	-
Work in Progress	68,859	-
Finished Goods for Resale	6,471	300
	<u>81,025</u>	<u>300</u>

12. DEBTORS

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Trade Debtors	138,748	102
Other Debtors	26,842	19,713
Prepayments and Accrued Income	532	-
	<u>166,122</u>	<u>19,815</u>

**13. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
Bank Overdraft	69,591	52,877
Trade Creditors	81,040	20,288
Amounts owed to Connected Undertakings	-	247,389
Other Taxation & Social Security	11,554	6,368
Sundry Creditors	64,769	-
Accruals	1,500	-
	<u>228,454</u>	<u>326,922</u>

The bank overdraft is secured by way of a mortgage debenture dated 6th December 1993, including a specific equitable charge over part of the premises.

POSITIVE CLOTHING (LONDON) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 30TH JUNE 1996**

(Continued)

COPY FOR
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14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
Loans	325,000	-
Director's Loan Account	792	-
	<hr/>	<hr/>
	325,792	-
	<hr/>	<hr/>
 15. CALLED UP SHARE CAPITAL	 <u>1996</u> <u>£</u>	 <u>1995</u> <u>£</u>
Authorised: 1,000 Ordinary shares of £1 each	1,000	1,000
	<hr/>	<hr/>
Allotted, issued and fully paid: 100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
 16. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS	 <u>1996</u> <u>£</u>	 <u>1995</u> <u>£</u>
Profit/(Loss) for the Financial Year	19,813	(60,466)
Opening Shareholders' Fund	(339,440)	(278,974)
Prior Year Adjustment	32,733	-
	<hr/>	<hr/>
Closing Shareholders' Fund	(286,894)	(339,440)
	<hr/>	<hr/>

17. CONTINGENT LIABILITIES

There are no contingent liabilities to the knowledge of the director apart from matters arising in the ordinary course of business.

18. PENSION COMMITMENTS

During the year the company adhered to a self-administered pension scheme but made no contributions during the financial period.

POSITIVE CLOTHING (LONDON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 30TH JUNE 1996

(Continued)

COPY FOR
REGISTRAR OF
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19. OTHER FINANCIAL COMMITMENTS

The directors are unaware of any other financial commitments outstanding at the year end.

20. POST BALANCE SHEET EVENTS

There were no significant post Balance Sheet events which materially affect the state of the company's affairs.

21. TRANSACTIONS INVOLVING DIRECTORS

Included in other creditors is the amount of £Nil (1995 - £280,022) due to Gerry Finn (London) Limited (in liquidation), a company in which Mr L E Finn had a beneficial interest.