

REGISTERED NUMBER:
2772857
England and Wales

RAI STYLES LIMITED

DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1995



LONERGAN & CO
CHARTERED ACCOUNTANTS
REGISTERED AUDITORS
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RAI STYLES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 1995

The directors present their report and the accounts for the year ended 31 December 1995.

PRINCIPAL ACTIVITY

The principal activity of the company during the year under review was in the manufacture of leisurewear.

DIRECTORS

The directors who served during the year and their beneficial interest in the company's issued ordinary share capital were as follows:

	<u>At 31.12.95</u>	<u>At 31.12.94</u>
J S RAI	1	1
S S RAI	1	1

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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

The auditors, Lonergan & Co., Chartered Accountants, are deemed to be re-appointed in accordance with Section 386 of the Companies Act 1985.

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies provided by Part II of Schedule 8 to the Companies Act 1985.

Signed on behalf of the
Board of directors

S S RAI
Director



Approved by the Board: 31 October 1996

RAI STYLES LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF RAI STYLES LIMITED

We have audited the accounts on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements by the directors in the preparation of the accounts, 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 accounts are free from material misstatement, whether caused by fraud or other irregularity or error.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1995 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Lonergan & Co
Chartered Accountants
Registered Auditors
107A London Road
Leicester
LE2 0PF

31 October 1996

RAI STYLES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
TURNOVER - continuing operations	3	744320	996146
Cost of sales		<u>[703588]</u>	<u>[806337]</u>
GROSS PROFIT		40732	189809
Distribution costs		<u>[17617]</u>	<u>[18206]</u>
Administrative costs		<u>[58555]</u>	<u>[113421]</u>
OPERATING PROFIT/(LOSS) - continuing operations	2	[35440]	58182
Loss on disposal of fixed assets in continuing operation		<u>-</u>	<u>[250]</u>
PROFIT/(LOSS) on ordinary activities before taxation		[35440]	57932
TAXATION		<u>9618</u>	<u>[13000]</u>
RETAINED PROFIT/(LOSS) for the financial period after taxation		[25822]	44932
RETAINED PROFIT at 1 January 1995		<u>53337</u>	<u>8405</u>
RETAINED PROFIT at 31 December 1995		<u><u>27515</u></u>	<u><u>53337</u></u>

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 5 to 7 form part of these accounts.

RAI STYLES LIMITED

BALANCE SHEET

AT 31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
FIXED ASSETS			
Tangible assets	4	<u>48874</u>	<u>53684</u>
CURRENT ASSETS			
Stocks		68089	17780
Debtors	5	108839	127865
Cash at bank and in hand		<u>49076</u>	<u>33906</u>
		226004	179551
CREDITORS: amounts falling due within one year	6	<u>[247361]</u>	<u>[179896]</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>[21357]</u>	<u>[345]</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>27517</u>	<u>53339</u>
CAPITAL AND RESERVES			
Called up share capital	7	2	2
Profit and loss account		<u>27515</u>	<u>53337</u>
Shareholders' funds	8	<u>27517</u>	<u>53339</u>

The directors have taken advantage of special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company qualifies as a small company.

Signed on behalf of the
Board of directors

S S RAI
Director



Approved by the Board: 31 October 1996

The notes on pages 5 to 7 form part of these accounts.

RAI STYLES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1995

1 ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention and include the results of the activities described in the directors' report, all of which are continuing.

The accounts have been prepared in accordance with applicable accounting standards.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company net of Value Added Tax.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at annual rates calculated to write off the cost of fixed assets over their useful lives on the following bases:

Plant	10% on cost
Fixtures & Fittings	10% on cost
Motor Vehicles	20% on cost

Stocks

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

Operating leases

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

Deferred taxation

No provision has been made for the taxation deferred in respect of timing differences, since in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2 OPERATING PROFIT

The operating profit is after charging:

	<u>1995</u>	<u>1994</u>
	£	£
Depreciation of tangible fixed assets		
- owned by the company	8620	6852
Directors' emoluments for directors services	19200	75600
Auditors' remuneration	4340	4350
Operating lease rentals	27292	27258

3 TURNOVER

Turnover attributable to geographical markets outside the United Kingdom amounted to 26% (1994, 46%).

RAI STYLES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1995

4 TANGIBLE FIXED ASSETS

	<u>Plant</u>	<u>Fixtures & Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£	£
Cost:				
At 1 January 1995	43828	10779	10319	64926
Additions	<u>2550</u>	<u>1260</u>	<u>-</u>	<u>3810</u>
At 31 December 1995	<u>46378</u>	<u>12039</u>	<u>10319</u>	<u>68736</u>
Depreciation:				
At 1 January 1995	6742	1748	2752	11242
Charge for the year	<u>5458</u>	<u>1098</u>	<u>2064</u>	<u>8620</u>
At 31 December 1995	<u>12200</u>	<u>2846</u>	<u>4816</u>	<u>19862</u>
Net book values				
At 31 December 1995	<u>34178</u>	<u>9193</u>	<u>5503</u>	<u>48874</u>
At 31 December 1994	<u>37086</u>	<u>9031</u>	<u>7567</u>	<u>53684</u>

5 DEBTORS: due within one year

	<u>1995</u>	<u>1994</u>
	£	£
Trade debtors	79296	119050
Other debtors	25105	4353
Prepayments	<u>4438</u>	<u>4462</u>
	<u>108839</u>	<u>127865</u>

6 CREDITORS: amounts falling due within one year

	<u>1995</u>	<u>1994</u>
	£	£
Trade creditors	174551	76939
Social security and other taxes	1419	34603
Corporation tax	6582	13000
Other creditors and accruals	<u>64809</u>	<u>55354</u>
	<u>247361</u>	<u>179896</u>

7 CALLED UP SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
	£	£
Authorised		
Ordinary shares of £1 each	<u>1000</u>	<u>1000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>2</u>	<u>2</u>

RAI STYLES LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1995

8 SHAREHOLDERS' FUNDS

Reconciliation of movements on shareholders' funds.

	<u>1995</u>	<u>1994</u>
	£	£
Profit/(loss) for the financial period after taxation	[25822]	44932
Opening shareholders' funds at 1 January 1995	53339	8407
Closing shareholders' funds at 31 December 1995	<u>27517</u>	<u>53339</u>

9 COMMITMENTS

At 31 December 1995 the company had the following annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	<u>1995</u>	<u>1994</u>
	£	£
Expiry date		
Between two and five years	26550	26550