

Registration Number 3399254

TOAST (MAIL ORDER) LIMITED
Directors' Report and Financial Statements
for the period ended 31 January 2001



TOAST (MAIL ORDER) LIMITED

Company Information

Directors	James Seaton Jessica Seaton Stephen Marks Nicholas Mather Neil Williams	Appointed 8 September 2000 Appointed 8 September 2000, resigned 15 December 2000. Appointed 8 September 2000
Secretary	Dinesh Shah	
Company Number	3399254	
Registered Office	1 Old Burlington Street London	
Reporting Accountants	D M B Davies Broyan House Priory Street Cardigan Ceredigion SA43 1BZ	
Business Address	B3 Lakeside Phoenix Way Llamsamlet Swansea	
Bankers	Midland Bank plc 15 Lammas Street Carmarthen SA31 3AQ	

TOAST (MAIL ORDER) LIMITED

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TOAST (MAIL ORDER) LIMITED

Directors' Report for the period ended 31 January 2001

The directors present his report and the financial statements for the period ended 31 January 2001.

Principal Activity

The principal activity was that of mail order clothing retailing.

Directors and their Interests

The directors who served during the period and their interests in the company are as stated below:

		Ordinary shares	
		2001	1999
James Seaton		3,000	12,000
Jessica Seaton		3,000	12,000
Stephen Marks	Appointed 8 September 2000	-	-
Nicholas Mather	Appointed 8 September 2000, resigned 15 December 2000.	-	-
Neil Williams	Appointed 8 September 2000	-	-

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period.

In preparing these the directors are required to:

- select suitable accounting policies and 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 him to ensure that the financial statements comply with the Companies Act 1985. He 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

D M B Davies were appointed auditors to the company and in accordance with Section 385 of the Companies Act 1985, a resolution proposing their reappointment will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 4 May 2001 and signed on its behalf by

Neil Williams
Director



TOAST (MAIL ORDER) LIMITED

Auditors' Report to the Shareholders of TOAST (MAIL ORDER) LIMITED

We have audited the financial statements on pages 3 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, 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 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 2001 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



D M B Davies

**Accountants and
Registered Auditors
Broyan House
Priory Street
Cardigan
Ceredigion
SA43 1BZ**

24th October 2001

TOAST (MAIL ORDER) LIMITED

Profit and Loss Account for the period ended 31 January 2001

		2001	1999
	Notes	£	£
Turnover	2	1,487,762	744,061
Cost of sales		(608,548)	(315,635)
Gross profit		<u>879,214</u>	<u>428,426</u>
Distribution costs		(446,227)	(168,888)
Administrative expenses		(604,383)	(337,074)
Other operating income		5,471	-
Operating profit	3	<u>(165,925)</u>	<u>(77,536)</u>
Interest payable and similar charges	4	(3,624)	(3,031)
Retained profit for the period		<u>(169,549)</u>	<u>(80,567)</u>
Accumulated (loss) brought forward		(91,564)	(10,997)
Retained profit carried forward		<u><u>(261,113)</u></u>	<u><u>(91,564)</u></u>

The notes on pages 5 to 8 form an integral part of these financial statements.

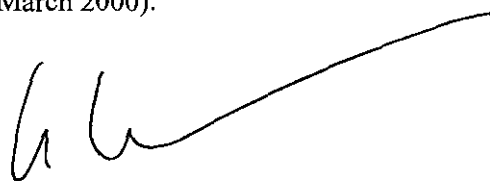
TOAST (MAIL ORDER) LIMITED

Balance Sheet as at 31 January 2001

	Notes	2001 £	1999 £
Fixed Assets			
Intangible assets	6	27,500	-
Tangible assets	7	67,155	10,654
		<u>94,655</u>	<u>10,654</u>
Current Assets			
Stocks		140,031	38,827
Debtors	8	60,376	16,538
Cash at bank and in hand		72	23
		<u>200,479</u>	<u>55,388</u>
Creditors: amounts falling due within one year	9	<u>(532,247)</u>	<u>(133,606)</u>
Net Current Liabilities		<u>(331,768)</u>	<u>(78,218)</u>
Total Assets Less Current Liabilities		<u>(237,113)</u>	<u>(67,564)</u>
Capital and Reserves			
Called up share capital	10	24,000	24,000
Profit and loss account		(261,113)	(91,564)
Shareholders' Funds		<u>(237,113)</u>	<u>(67,564)</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Neil Williams
Director



The notes on pages 5 to 8 form an integral part of these financial statements.

TOAST (MAIL ORDER) LIMITED

Notes to the Financial Statements for the period ended 31 January 2001

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Copyrights

Copyrights are valued at cost less accumulated amortisation.

Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 5 years.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Furniture and fittings	-	25% Reducing balance
Office equipment	-	25% Reducing balance

1.5. Stock

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

2. Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the UK.

Turnover attributable to geographical markets outside the United Kingdom amounted to 0% for the period.

3. Operating profit

	2001	1999
	£	£
Operating profit is stated after charging:		
Depreciation and other amounts written off intangible assets	2,500	-
Depreciation and other amounts written off tangible assets	9,431	3,550
Auditors' remuneration	1,400	500
	<u>13,331</u>	<u>4,050</u>

TOAST (MAIL ORDER) LIMITED

Notes to the Financial Statements for the period ended 31 January 2001

..... continued

4. Interest payable and similar charges	2001	1999
	£	£
On loans and overdrafts	3,624	3,031
	<u> </u>	<u> </u>
5. Directors' emoluments	2001	1999
	£	£
Remuneration and other benefits	70,642	26,400
	<u> </u>	<u> </u>
6. Intangible fixed assets	Copyrights	Total
	£	£
Cost		
Additions	30,000	30,000
At 31 January 2001	<u>30,000</u>	<u>30,000</u>
Provision for diminution in value		
Charge for period	2,500	2,500
At 31 January 2001	<u>2,500</u>	<u>2,500</u>
Net book values		
At 31 January 2001	<u>27,500</u>	<u>27,500</u>

TOAST (MAIL ORDER) LIMITED

Notes to the Financial Statements for the period ended 31 January 2001

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7. Tangible fixed assets

	Furniture and fixtures	Office equipment	Total
	£	£	£
Cost			
At 1 September 1999	652	13,552	14,204
Additions	25,499	40,433	65,932
At 31 January 2001	<u>26,151</u>	<u>53,985</u>	<u>80,136</u>
Depreciation			
At 1 September 1999	162	3,388	3,550
Charge for the period	2,120	7,311	9,431
At 31 January 2001	<u>2,282</u>	<u>10,699</u>	<u>12,981</u>
Net book values			
At 31 January 2001	<u>23,869</u>	<u>43,286</u>	<u>67,155</u>
At 31 August 1999	<u>490</u>	<u>10,164</u>	<u>10,654</u>

8. Debtors

	2001 £	1999 £
Trade debtors	14,435	4,132
Other debtors	1,794	-
Prepayments and accrued income	44,147	12,406
	<u>60,376</u>	<u>16,538</u>

TOAST (MAIL ORDER) LIMITED

Notes to the Financial Statements for the period ended 31 January 2001

..... continued

9. Creditors: amounts falling due within one year	2001	1999
	£	£
Bank overdraft	15,276	42,798
Trade creditors	189,033	48,136
Amounts owed to group undertaking	314,419	-
Other taxes and social security costs	12,269	26,445
Accruals and deferred income	1,250	16,227
	<u>532,247</u>	<u>133,606</u>
	<u><u>532,247</u></u>	<u><u>133,606</u></u>
10. Share capital	2001	1999
	£	£
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
	<u>100,000</u>	<u>100,000</u>
Allotted, called up and fully paid		
24,000 Ordinary shares of £1 each	24,000	24,000
	<u>24,000</u>	<u>24,000</u>
	<u><u>24,000</u></u>	<u><u>24,000</u></u>
11. Capital commitments		
There were no capital commitments at the period end.		
12. Ultimate parent undertaking		
A total of 75% of the share capital of the Company was acquired by French Connection Group PLC on 8 September 2000.		
13. Controlling interest		
The controlling interest of the Company is held by French Connection Group PLC.		

TOAST (MAIL ORDER) LIMITED

Notes to the Financial Statements for the period ended 31 January 2001

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14. Going concern

The Company is reliant on financial support from French Connection Group PLC who acquired 75% of the share capital in September 2000. The French Connection Group PLC has agreed to provide funds which may be required by Toast (Mail Order) Ltd to meet its obligations as they arise in the ordinary course of business.