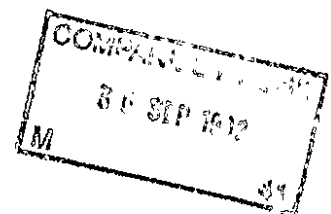


Jump Knitwear Limited
(Company Number 895642)

Report and Accounts
For the year ended 31st July 1991



Comins & Co
Chartered Accountants
London, Ashford and Geneva

Member of the ICC
international group

JUMP KNITWEAR LIMITED
REPORT OF THE DIRECTOR

DIRECTOR

S. Caring (Chairperson)

SECRETARY

J.P. Service

The director submits her report and accounts for the year ended 31st July 1991.

1. REVIEW OF THE BUSINESS

The principal activity of the company during the year was the distribution of women's clothing and accessories.

The director expects the company to continue trading satisfactorily in the future.

	<u>1991</u>	<u>1990</u>
<u>TURNOVER</u>	£9,054,943 =====	£8,998,585 =====
Profit before taxation	332,408	135,489
Taxation	(74,261)	(38,620)
Extraordinary item	88,981	-
<u>PROFIT FOR THE YEAR</u>	<u>£ 347,128</u> =====	<u>£ 96,869</u> =====

2. DIVIDENDS

The director does not recommend the payment of a dividend (1990 : Nil).

3. DIRECTORS AND THEIR INTERESTS

The directors during the year and their beneficial interests in the share capital of the company were as follows:-

At 1st August 1990
and at
31st July 1991
Ordinary Shares

S. Caring
M. Bines (resigned 22nd May 1992)

6,666
-

BY ORDER OF THE BOARD


J.P. Service
Secretary

Registered Office:

22 St. Andrew Street
London
EC4A 3AN

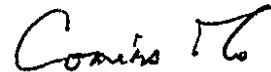
17th June 1992

REPORT OF THE AUDITOR
TO THE MEMBERS OF JUMP KNITWEAR LIMITED

We have audited the accounts on pages 3 to 11 in accordance with auditing standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company at 31st July 1991 and of the profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion, the company is entitled, for the year ended 31st July 1991, to the exemption conferred by Section 248 of the Companies Act 1985, from the requirement to prepare group accounts.



COMINS & CO.
Chartered Accountants
Registered Auditor

Registered Office:

22 St. Andrew Street
London
EC4A 3AN

17th June 1992

JUMP KNITWEAR LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST JULY 1991

	NOTES	<u>1991</u>	<u>1990</u>
<u>TURNOVER</u>	2	9,054,943	8,998,585
Cost of sales		(6,114,492)	(6,475,443)
<u>GROSS PROFIT</u>		2,940,451	2,523,142
Administrative expenses		2,587,745	2,295,134
Other operating income		352,706 21,050	228,008 25,868
<u>OPERATING PROFIT</u>	3	373,756	253,876
Income from investments	5	51,252	29,600
Interest payable and similar charges	6	(92,596)	(139,186)
Amount written off investments		(4)	(8,801)
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		332,408	135,489
Tax on profit on ordinary activities	7	(74,261)	(38,620)
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		258,147	96,869
Extraordinary item	8	88,981	-
<u>PROFIT FOR THE FINANCIAL YEAR</u>	18	£347,128 =====	£ 96,869 =====

The notes on pages 6 to 11
form part of these accounts

JUMP KNITWEAR LIMITED

BALANCE SHEET
AS AT 31ST JULY 1991

		<u>1991</u>	<u>1990</u>
	NOTES		
<u>FIXED ASSETS</u>			
Tangible assets	9	136,348	112,472
Investments	10	30,912	30,916
		<hr/>	<hr/>
		167,260	143,388
<u>CURRENT ASSETS</u>			
Stocks	11	809,853	862,397
Debtors	12	1,720,735	1,390,509
		<hr/>	<hr/>
		2,530,588	2,252,906
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	13	(1,877,019)	(1,953,599)
		<hr/>	<hr/>
<u>NET CURRENT ASSETS</u>		653,569	299,307
		<hr/>	<hr/>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		820,829	442,695
		<hr/>	<hr/>
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	14	(40,702)	-
		<hr/>	<hr/>
<u>PROVISION FOR LIABILITIES AND CHARGES</u>	16	-	(9,696)
		<hr/>	<hr/>
		(40,702)	(9,696)
		<hr/>	<hr/>
<u>NET ASSETS</u>		£ 780,127	£ 432,999
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called up share capital	17	9,999	9,999
Profit and loss account	18	770,128	423,000
		<hr/>	<hr/>
<u>SHAREHOLDERS' FUNDS</u>		£ 780,127	£ 432,999
		=====	=====

Approved by the board and
signed on its behalf on
17th June 1992

S. Caring
S. Caring) Director

The notes on pages 6 to 11
form part of these accounts.

JUMP KNITWEAR LIMITED

SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31ST JULY 1991

	<u>1991</u>	<u>1990</u>
<u>SOURCE OF FUNDS</u>		
Profit on ordinary activities before taxation after extraordinary item	455,723	128,089
Adjustments for items not involving the movements of funds:		
Depreciation	34,007	45,324
Profit on sale of fixed assets	(12,367)	(6,135)
Amount written off investments	4	8,801
	<hr/> 21,644	<hr/> 47,990
<u>TOTAL GENERATED FROM OPERATIONS</u>	477,367	176,079
<u>FUNDS FROM OTHER SOURCES</u>		
Proceeds of sale of fixed assets	49,900	37,897
Taxation received	24,592	-
Increase in creditors due after more than one year	40,702	-
	<hr/> 115,194	<hr/> 37,897
	592,561	213,976
<u>APPLICATION OF FUNDS</u>		
Purchase of fixed assets	(95,416)	(3,200)
	<hr/>	<hr/>
<u>INCREASE IN WORKING CAPITAL</u>	£ 497,145	£ 210,776
	=====	=====
<u>WORKING CAPITAL MOVEMENTS</u>		
Stocks	(52,544)	31,675
Debtors	359,379	(135,963)
Creditors	(141,661)	(122,551)
	<hr/> 165,174	<hr/> (226,839)
<u>Movement in Net Liquid Funds</u>	-	(542,763)
Cash at bank and in hand	331,971	980,378
Bank loans and overdrafts	<hr/> 331,971	<hr/> 437,615
	£497,145	£210,776
	=====	=====

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS
31ST JULY 1991

i. ACCOUNTING POLICIES

(i) Accounting Convention

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

(ii) Basis of Preparation

The company has relied upon the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts.

(iii) Turnover

Turnover represents sales invoiced and excludes value added tax.

(iv) Depreciation

Depreciation is provided to write off the cost less estimated residual value of each asset over its expected useful life at the following rates:-

Fixtures and fittings	-	at 25% p.a. on a reducing balance basis.
Motor vehicles	-	at 25% p.a. on a reducing balance basis, and 33.3% on a straight line basis

(v) Stock

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

(vi) Design Expenditure

Expenditure on new designs is written off in the year it is incurred.

(vii) Pension Costs

The company does not operate its own pension scheme. Payments to private schemes are made on behalf of company employees. These payments are written off to the profit and loss account in the year they are incurred.

(viii) Foreign Currencies

Trading account transactions have been accounted for at the exchange rate at the date of the transaction. Assets and liabilities have been converted at the rate ruling on the balance sheet date, unless covered by a forward currency contract, when the contracted rate is used.

2. TURNOVER

Turnover comprises sales of women's clothing and accessories.

3. OPERATING PROFIT

	<u>1991</u>	<u>1990</u>
This is stated after charging:		
Depreciation	£34,007	£45,324
Auditors' remuneration	£15,000	£15,000
	=====	=====

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (continued) 31ST JULY 1991

4. EMPLOYEES

The average weekly number of employees during the year was made up as follows:

	<u>1991</u>	<u>1990</u>
Selling, distribution and administration	39	41
	==	==

Staff costs during the year amounted to:

Wages and salaries	905,783	887,279
Social security costs	90,989	90,289
Other pension costs	32,000	20,000
	<u>£1,028,772</u>	<u>£ 997,568</u>
	=====	=====

Staff costs include the following in respect of directors' emoluments (including pension contributions)

£ 99,304	£ 111,643
=====	=====

Emoluments (excluding pension contributions) were paid as follows:

Chairperson (highest paid director)	£ 40,004	£ 30,004
	=====	=====

Emoluments (excluding pension contributions) of the other director fell within the following range:

	<u>No.</u>	<u>No.</u>
£55,001 - £60,000	1	1
	===	===

5. INCOME FROM INVESTMENTS

Unlisted	£ 51,252	£ 29,600
	=====	=====

6. INTEREST PAYABLE

Bank loans and overdrafts wholly repayable within five years	87,360	135,646
Other loans	5,236	3,540
	<u>£92,596</u>	<u>£139,186</u>
	=====	=====

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

UK corporation tax at 33.7% (1990 : 34.7%)	105,765	21,524
Prior year adjustment	(23,489)	-
Deferred tax	(9,696)	9,696
Overseas tax	636	-
Tax credit on U.K. dividends received	1,045	7,400
	<u>£ 74,261</u>	<u>£ 38,620</u>
	=====	=====

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (continued) 31ST JULY 1991

1991
1990

8. EXTRAORDINARY ITEM

Profit on sale of shares	123,315		-
Taxation thereon	(34,334)		-
	£ 88,981		£ -
	=====		=====

9. TANGIBLE FIXED ASSETS

	<u>FIXTURES FITTINGS & EQUIPMENT</u>	<u>MOTOR VEHICLES</u>	<u>TOTAL</u>
<u>Cost</u>			
At 1st August 1990	242,081	134,472	376,553
Additions	2,518	92,898	95,416
Disposals	(7,927)	(84,297)	(92,224)
	£ 236,672	£143,073	£379,745
	=====	=====	=====
<u>Depreciation</u>			
At 1st August 1990	201,172	62,909	264,081
Charge for the year	10,374	23,633	34,007
Eliminated on disposals	(6,932)	(47,759)	(54,691)
	£ 204,614	£ 38,783	£ 243,397
	=====	=====	=====
<u>Net Book Value</u>			
At 31st July 1991	£ 32,058	£104,290	£ 136,348
	=====	=====	=====
At 1st August 1990	£ 40,909	£ 71,563	£ 112,472
	=====	=====	=====
The net book value and depreciation charge for the year of assets held under finance leases are as follows:			
	<u>Net Book Value</u>	<u>Depreciation</u>	
Motor vehicles	£ 46,730	£ 2,417	
	=====	=====	
	<u>Group Undertaking</u>	<u>Associated Undertaking</u>	<u>Total</u>
<u>Cost</u>			
At 1st August 1990	28,791	2,125	30,916
Amount written off during the year	(4)	-	(4)
	£ 28,787	£ 2,125	£ 30,912
	=====	=====	=====

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (continued)
31ST JULY 1991

10. INVESTMENTS (continued)

The company holds more than 10% of the share capital of the following trading companies:-

<u>Name of Company</u>	<u>Country of Registration</u>	<u>Holding</u>	<u>Proportion Held</u>
<u>Subsidiary undertakings</u>			
Louis Caring GmbH	Germany	Ordinary	100%
The Associated Clothing Company Limited	England	Ordinary	38%
<u>Associated undertaking</u>			
Babyface Limited	England	Ordinary	32%

<u>Subsidiary Undertakings</u>	<u>Aggregate Capital and Reserves</u>		<u>Profit for the Year</u>	
	<u>1991</u>	<u>1990</u>	<u>1991</u>	<u>1990</u>
Louis Caring GmbH	£46,518	£18,189	£28,328	£ 409
The Associated Clothing Company Limited	£46,453 =====	£47,685 =====	£ 3,934 =====	£47,428 =====
<u>Associated undertaking</u>				
Babyface Limited	£22,435 =====	£18,768 =====	£ 7,333 =====	£15,473 =====

The auditors reports on the accounts of the above companies were unqualified.

11. STOCKS

	<u>1991</u>	<u>1990</u>
Raw materials	-	21,349
Finished goods	809,853	841,048
	<u>£ 809,853</u> =====	<u>£ 862,397</u> =====

12. DEBTORS

Trade debtors	910,766	1,169,450
Amounts owed by group undertakings	31,268	7,600
Amounts owed by associated undertakings	1,173	3,200
Other debtors	719,854	138,814
Prepayments and accrued income	57,674	71,445
	<u>£1,720,735</u> =====	<u>£1,390,509</u> =====

Included in other debtors of the company is ACT of £24,569 which is recoverable after more than one year.

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (continued) 31ST JULY 1991

13. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>1991</u>	<u>1990</u>
Bank loans and overdrafts (see below)	66,100	398,071
Obligations under finance lease (note 15)	10,870	-
Trade creditors	770,505	756,537
Amounts owed to group undertakings	67,010	171,481
Corporation tax	135,254	21,524
Other taxes and social security costs	288,980	184,927
Other creditors	72,991	92,871
Accruals	465,309	328,188
	<hr/>	<hr/>
	£1,877,019	£1,953,599
	=====	=====

Bank loans and overdrafts are secured by a fixed and floating charge over the company's assets together with guarantees.

14. <u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	<u>1991</u>	<u>1990</u>
Obligations under finance lease (note 15)	£40,702	£ -
	=====	=====

15. OBLIGATIONS UNDER FINANCE LEASES

The maturity of this amount is as follows:-

Amounts payable

Within one year	20,146	-
In the second to fifth years inclusive	56,935	-
	<hr/>	<hr/>
	77,081	-
Less: Finance charges allocated to future periods	(25,509)	-
	<hr/>	<hr/>
	£51,572	£ -
	=====	=====

The finance lease is analysed as follows:-

Current obligations	10,870	-
Non-current obligations	40,702	-
	<hr/>	<hr/>
	£51,572	£ -
	=====	=====

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (continued) 31ST JULY 1991

16. PROVISION FOR LIABILITIES AND CHARGES

This comprises deferred taxation and represents the full potential liability.

	<u>1991</u>	<u>1990</u>
Accelerated capital allowances	£ - =====	£9,696 =====
At 1st August 1990		9,696
Credited to profit and loss account		(9,696)

At 31st July 1991	£ - =====	

17. SHARE CAPITAL

	<u>1991</u>	<u>1990</u>
Authorised 10,000 shares of £1 each	£10,000 =====	£10,000 =====
Allotted, called up and fully paid 9,999 shares of £1 each	£ 9,999 =====	£ 9,999 =====

18. RESERVES

At 1st August 1990	423,000
Retained profit	347,128

At 31st July 1991	£770,128 =====

19. CONTINGENT LIABILITIES

The company has guaranteed its subsidiary and associated undertakings' overdrafts to a maximum of £650,000.