

No. 1683824



A. & D. HOPE (SCS) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

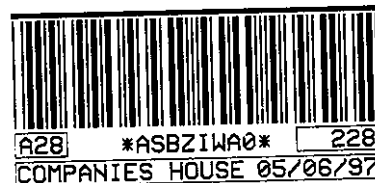
FOR THE YEAR ENDED 31ST AUGUST 1996

GERALD EDELMAN

CHARTERED ACCOUNTANT

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A. & D. HOPE (SCS) LIMITED

ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1996

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A. & D. HOPE (SCS) LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and the financial statements of the company for the year ended 31st August 1996.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the company during the year continued to be the manufacture and sale of garments.

The directors are satisfied with the company's results for the year and the state of affairs at the balance sheet date, and expect continued growth in the foreseeable future.

RESULTS AND STATE OF AFFAIRS

The financial statements on pages 5 to 11 set out the results for the year ended 31st August 1996 and reflect the state of the company's affairs at that date.

DIVIDENDS

The directors do not recommend the payment of a dividend for the year.

FIXED ASSETS

Details of fixed assets are set out in note 6 to the financial statements.

DIRECTORS AND THEIR INTERESTS

The members of the board during the year, and their interests including family interests, in the company's shares were as follows:-

	Interest at end of year <u>number of shares</u>	Interest at beginning of year <u>number of shares</u>
M.A. Hope	501	501
Mrs E. Hope	399	399
F. Noble	-	-

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by United Kingdom company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the results for that year.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the financial statements and that applicable accounting standards have been followed. The financial statements have been prepared on the going concern basis.

The directors are also responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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 preventing and detecting fraud and other irregularities.

A. & D. HOPE (SCS) LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

AUDITORS

A resolution will be proposed at the forthcoming Annual General Meeting for the re-appointment of Gerald Edelman, who have expressed their willingness to accept the office of auditors for the ensuing year.

7th May 1997

DATED.....

BY ORDER OF THE BOARD


.....

(J. HOPE)
SECRETARY

A. & D. HOPE (SCS) LIMITED

REPORT OF THE AUDITORS TO THE DIRECTORS OF A. & D. HOPE (SCS) LIMITED

We have examined the abbreviated accounts on pages 5 to 11 together with the financial statements of A & D Hope (SCS) Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31st August 1996.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 6 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled under Section 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section B of part III of Schedule 8 to the Act, in respect of the year ended 31st August 1996, and the abbreviated financial statements on pages 5 to 11 have been properly prepared in accordance with that Schedule.

OTHER INFORMATION

On 7th May 1997 we reported, as auditors of A & D Hope (SCS) Limited, to the members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31st August 1996 and our audit report was as follows:-

"We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 8.

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 of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

A. & D. HOPE (SCS) LIMITED

REPORT OF THE AUDITORS TO THE DIRECTORS OF A. & D. HOPE (SCS) LIMITED - (CONTINUED)

BASIS OF OPINION - (continued)

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 mis-statement, 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 affairs of the company as at 31st August 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985."



GERALD EDELMAN
REGISTERED AUDITOR AND
CHARTERED ACCOUNTANTS

25 Harley Street
London W1N 2BR

7th May 1997

A. & D. HOPE (SCS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST AUGUST 1996

	<u>Note</u>	<u>1996</u> £	<u>1995</u> £
<u>Gross profit</u>		1,598,954	973,180
Selling and distribution expenses		(788,739)	(462,829)
Administrative expenses		(763,515)	(270,399)
		<hr/>	<hr/>
<u>Operating profit</u>	2	46,700	239,952
Profit on sale of investments		38,239	-
Net interest payable	4	(14,225)	(4,096)
		<hr/>	<hr/>
<u>Profit on ordinary activities before taxation</u>		70,714	235,856
Taxation	5	(15,854)	29,079
		<hr/>	<hr/>
<u>Retained profit for the year</u>	11	£ 54,860	£ 264,935
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There have been no acquisitions or discontinued operations during the year. The results shown above for this year and the prior year therefore relate to continuing operations.

A. & D. HOPE (SCS) LIMITED

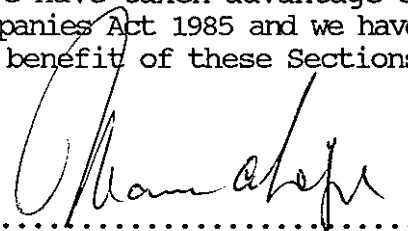
BALANCE SHEET AS 31ST AUGUST 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible assets	6	200,483	124,842
<u>CURRENT ASSETS</u>			
Stocks	7	851,779	403,530
Debtors	8	1,816,162	839,211
Investments		-	7,285
Cash at bank and in hand		266,733	364,018
		<u>2,934,674</u>	<u>1,614,044</u>
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	9	(2,888,374)	(1,546,963)
<u>NET CURRENT ASSETS</u>		<u>46,300</u>	<u>67,081</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>£ 246,783</u>	<u>£ 191,923</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	10	1,000	1,000
Revaluation reserve		28,050	28,050
Profit and loss account	11	217,733	162,873
		<u>£ 246,783</u>	<u>£ 191,923</u>

In preparing the abbreviated financial statements we have taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985 and we have done so on the grounds that the company is entitled to the benefit of these Sections as a medium sized company.

7th May 1997

DATED.....



 (M.A. HOPE)
 DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1996

1. ACCOUNTING POLICIES

a) Convention

The financial statements are prepared under the historical cost convention.

b) Turnover

Turnover is invoiced sales less returns, exclusive of value added tax.

c) Depreciation

Depreciation is provided on all tangible fixed assets, at annual rates calculated to write off the cost of each asset over its expected useful life, as follows:-

Freehold buildings	- 2% straight line basis
Plant and machinery	- 15% straight line basis
Motor vehicles	- 25% reducing balance basis
Fixtures and fittings	- 15% straight line basis

d) Stocks

Stocks are valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving items. In the case of manufactured products, cost includes all direct expenditure and production overheads based on a normal level of activity.

e) Investments

Current asset investments are valued at the lower of cost and market value.

f) Contributions to pension funds

The company's pension scheme currently being funded is a defined contribution scheme, and accordingly, the charge to the profit and loss account is equal to the contributions payable to the scheme for the accounting period.

g) Government grants

Governments grants are treated as deferred credits. These are credited to the profit and loss account by instalments over the expected lives of the related assets on the same basis that the related assets are depreciated.

h) Deferred taxation

Deferred taxation is provided on the liability method on all timing differences where a liability is likely to arise in the future.

A. & D. HOPE (SCS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1996
(CONTINUED)

2. <u>OPERATING PROFIT</u>	<u>1996</u> £	<u>1995</u> £
Operating profit is stated after charging/(crediting):		
Staff costs (note 3)	1,014,068	456,867
Auditors' remuneration	15,000	18,084
Depreciation	37,184	21,254
Amortisation of government grants	(493)	(1,110)
Loss on sale of fixed assets	-	2,626
Operating lease rentals - land and buildings	80,000	28,809
	<hr/>	<hr/>

3. STAFF COSTS

a) Staff costs comprise:

Wages and salaries	873,279	410,507
Social security costs	77,770	31,615
Pension costs	63,019	14,745
	<hr/>	<hr/>
	£1,014,068	£ 456,867
	<hr/>	<hr/>

b) Employees

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

	<u>1996</u> <u>Number</u>	<u>1995</u> <u>Number</u>
Production	26	36
Selling and distribution	18	11
Administration	5	7
	<hr/>	<hr/>
	49	54
	<hr/>	<hr/>

c) Directors' emoluments:

Emoluments for management services	£215,720	£ 27,940
	<hr/>	<hr/>

The emoluments of the chairman, who is the highest paid director, excluding pension contributions, was £78,370 (1995 - £Nil). Other directors' emoluments, excluding pension contributions, fell within the following ranges:

	<u>1996</u> <u>Number</u>	<u>1995</u> <u>Number</u>
£ Nil - £ 5,000	-	1
£25,001 - £30,000	1	1
£55,001 - £60,000	1	-
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A. & D. HOPE (SCS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1996
(CONTINUED)

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The original cost of freehold land and buildings, included at the directors' 1994 valuation of £90,000, was £61,950.

A. & D. HOPE (SCS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1996
(CONTINUED)

	<u>1996</u>	<u>1995</u>
7. <u>STOCKS</u>		
Raw materials and finished goods	£851,779	£403,530
	<hr/>	<hr/>
8. <u>DEBTORS</u>	£	£
Trade debtors	1,625,287	682,885
Other debtors	141,953	50,195
Prepayments and accrued income	48,922	106,131
	<hr/>	<hr/>
	£1,816,162	£ 839,211
	<hr/>	<hr/>
9. <u>CREDITORS: AMOUNTS FALLING DUE</u> <u>WITHIN ONE YEAR</u>		
Bank overdraft	16,953	88,026
Trade creditors	881,783	734,082
Corporation tax	63,154	47,300
Other taxes and social security	457,255	160,360
Other creditors	1,327,766	405,090
Accruals and deferred income	141,463	112,105
	<hr/>	<hr/>
	£2,888,374	£1,546,963
	<hr/>	<hr/>
Included in accruals and deferred income is £20,666 (1995 - £21,159) in respect of deferred income from government grants.		
10. <u>CALLED UP SHARE CAPITAL</u>	<u>1996</u>	<u>1995</u>
<u>Authorised, issued and fully paid</u>		
1,000 Ordinary shares of £1 each	£ 1,000	£ 1,000
	<hr/>	<hr/>
11. <u>PROFIT AND LOSS ACCOUNT</u>	£	£
Balance at 1st September 1995	162,873	(102,062)
Retained profit for the year	54,860	264,935
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Balance at 31st August 1996	£217,733	£162,873
	<hr/>	<hr/>

A. & D. HOPE (SCS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1996

(CONTINUED)

12. RELATED PARTY TRANSACTIONS

- a) Included in other debtors is a balance of £42,269 due from Evergreen Clothing Limited, a company in which Mr M.A. and Mrs E. Hope have a material interest.
- b) Included in other creditors is a balance of £31,067 due to E & E Hope Limited, a company in which Mr M.A. and Mrs E. Hope have a material interest.
- c) Included in other creditors is a balance of £75,712 due to Mr. M.A. Hope.
- d) Management fees receivable of £25,000 have been charged to Evergreen Clothing Limited in respect of the year.

There are no terms as to interest or repayment in respect of the above balances.