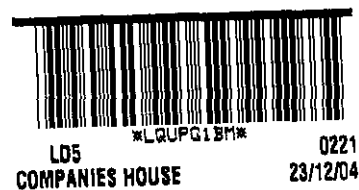


LAYBRAN LIMITED
DIRECTORS' REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003



Company No. 2199767

LAYBRAN LIMITED

FINANCIAL STATEMENTS

Year Ended 31 December 2003

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LAYBRAN LIMITED

DIRECTORS' REPORT

Year Ended 31 December 2003

The directors have pleasure in presenting their report and the audited financial statements of the company for the year ended 31 December 2003.

Principal Activities, Business Review and Future Developments

The company's principal activity continued to be the retailing of high fashion clothing. During the year, the company has traded at a loss since our major flagship store was closed for renovation for nearly five months. The directors expect a turnaround for the ensuing year.

Results and Dividends

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

Directors

The directors who served the company during the year were as follows:

Mr BLK Heng
Mr V Sodhy

The directors had no beneficial interest in the issued share capital of the company.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the profit or loss for the year then ended. In preparing those financial statements, the directors are required to:

- select suitable accounting policies, as described on pages 7 to 8, and then apply them consistently;

- make judgements and estimates that are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- 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 them to ensure that the financial statements comply with the Companies Act 1985. The directors 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.

LAYBRAN LIMITED

DIRECTORS' REPORT *(continued)*

Year Ended 31 December 2003

Donations

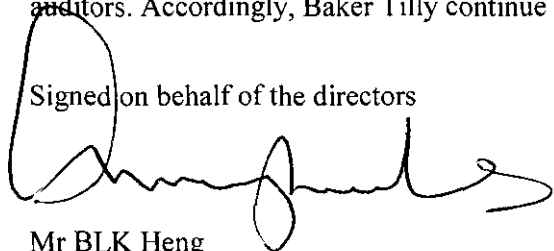
During the year the company made the following contributions:

	2003	2002
	£	£
Charitable	<u>10,218</u>	<u>1,640</u>

Auditors

The company has elected to dispense with the holding of annual general meetings and the annual reappointment of auditors. Accordingly, Baker Tilly continue as auditors.

Signed on behalf of the directors



Mr BLK Heng

Director

Approved by the directors on 5 November 2004

LAYBRAN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LAYBRAN LIMITED

Year Ended 31 December 2003

We have audited the financial statements on pages 5 to 13.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Directors and Auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. *This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.* Our responsibilities do not extend to any other information.

Basis of Audit 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.

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.

LAYBRAN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LAYBRAN LIMITED *(continued)*

Year Ended 31 December 2003

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Baker Tilly

BAKER TILLY

Registered Auditors &
Chartered Accountants
2 Bloomsbury Street
London
WC1B 3ST

2 Dec 2004
.....

LAYBRAN LIMITED**PROFIT AND LOSS ACCOUNT****Year Ended 31 December 2003**

	Note	2003 £	2002 £
Turnover	2	11,173,031	13,510,044
Cost of sales		6,119,594	7,361,377
Gross Profit		<u>5,053,437</u>	<u>6,148,667</u>
Administrative expenses		6,245,495	6,546,201
Operating Loss	3	<u>(1,192,058)</u>	<u>(397,534)</u>
Loss on disposal of fixed assets	5	(617,812)	—
		<u>(1,809,870)</u>	<u>(397,534)</u>
Interest receivable		288,886	376,886
Interest payable	6	(2,970)	—
Loss on Ordinary Activities Before Taxation		<u>(1,523,954)</u>	<u>(20,648)</u>
Tax on loss on ordinary activities	7	133,023	(114,858)
(Loss)/Retained Profit for the Financial Year		<u>(1,656,977)</u>	<u>94,210</u>

All amounts relate to continuing activities.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 7 to 13 form part of these accounts.

LAYBRAN LIMITED

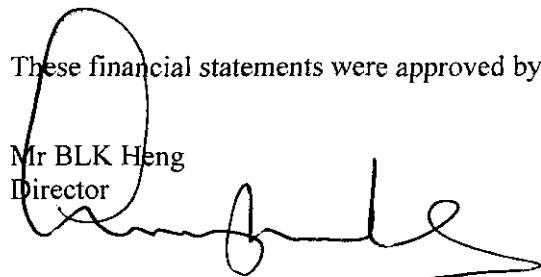
BALANCE SHEET

As at 31 December 2003

	Note	2003 £	2002 £
Fixed Assets			
Tangible assets	8	4,796,665	1,829,283
Current Assets			
Stocks	9	2,243,035	2,775,741
Debtors	10	2,872,683	7,291,143
Cash at bank and in hand		821,025	648,018
		<u>5,936,743</u>	<u>10,714,902</u>
Creditors: Amounts falling due within one year	11	<u>2,648,283</u>	<u>2,935,106</u>
Net Current Assets		3,288,460	7,779,796
Total Assets Less Current Liabilities		<u>8,085,125</u>	<u>9,609,079</u>
Provisions for Liabilities and Charges			
Deferred taxation	12	<u>518,633</u>	<u>385,610</u>
		<u>7,566,492</u>	<u>9,223,469</u>
Capital and Reserves			
Called-up equity share capital	16	1,000,000	1,000,000
Profit and loss account	17	6,566,492	8,223,469
Shareholders' Funds	18	<u>7,566,492</u>	<u>9,223,469</u>

These financial statements were approved by the board on the 5 November 2004 and are signed on their behalf by:

Mr BLK Heng
Director



The notes on pages 7 to 13 form part of these financial statements.

LAYBRAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2003

1. Accounting policies

Basis of accounting

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

Cashflow Statement

The company's intermediate parent company Como Holdings (UK) Limited, a company registered in England and Wales, has prepared a consolidated cashflow statement incorporating the company's cashflow and accordingly the company has not prepared a cashflow statement.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold properties	- Over length of licence
Furniture and equipment	- 16.67% to 33% per annum

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. The net realisable value is the estimated proceeds from the sale of items of stock, less costs incurred in marketing/selling/distributing directly related to the items in question.

Leased assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Profit and Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss account on a straight line basis over the lease term.

LAYBRAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2003

1. Accounting policies *(continued)*

Contribution to Pension Funds

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Assets and liabilities in foreign currencies are translated into sterling at year end exchange rates. All exchange differences are taken to the profit and loss account.

2. Turnover

The turnover is attributable to one activity, the retailing of high fashion clothing in the United Kingdom.

3. Operating loss

Operating loss is stated after charging:

	2003	2002
	£	£
Depreciation of owned fixed assets	379,547	564,163
Auditors' remuneration		
- as auditors	9,782	10,936
Operating lease costs:		
Land and buildings	<u>1,903,996</u>	<u>1,863,000</u>

LAYBRAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2003

4. Directors and employees

The average number of staff employed by the company during the financial year amounted to:

	2003 No	2002 No
Selling and distribution	52	50
Administration	11	15
	<u>63</u>	<u>65</u>

The aggregate payroll costs of the above were:

	2003 £	2002 £
Wages and salaries	1,123,514	1,161,118
Social security costs	107,036	104,335
Other pension costs	8,146	13,921
	<u>1,238,696</u>	<u>1,279,374</u>

Neither of the directors received any remuneration from the company during the year.

5. Loss on disposal of fixed assets

	2003 £	2002 £
Loss on disposal of fixed assets	<u>(617,812)</u>	<u>—</u>

6. Interest payable

	2003 £	2002 £
Other similar charges	<u>2,970</u>	<u>—</u>

LAYBRAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2003

7. Taxation on ordinary activities

	2003 £	2002 £
Deferred tax:		
Origination and reversal of timing differences	133,023	(114,858)
Factors affecting current tax charge		
	2003 £	2002 £
Loss on ordinary activities before taxation	(1,523,954)	(20,648)
Loss on ordinary activities multiplied by the standard rate of corporation tax of 30% (2002: 30%)	(457,186)	(6,194)
Effects of:		
Expenses not deductible for tax purposes	6,398	13
Other permanent differences	36,440	(4,063)
Accounting loss on asset disposal	185,344	—
(Capital allowances in excess of depreciation)/		
Depreciation in excess capital allowances	(125,303)	114,858
Claim for group relief for which no payment is made	—	(104,614)
Surrender of group relief on which no payment is received	354,307	—
Total current tax	—	—

8. Tangible fixed assets

	Short Leasehold Land and Buildings £	Furniture and Equipment £	Total £
Cost			
At 1 January 2003	4,685,364	1,377,640	6,063,004
Additions	3,750,426	214,315	3,964,741
Disposals	(2,342,662)	(758,876)	(3,101,538)
At 31 December 2003	6,093,128	833,079	6,926,207
Depreciation			
At 1 January 2003	2,881,514	1,352,207	4,233,721
Charge for the year	357,505	22,042	379,547
On disposals	(1,725,953)	(757,773)	(2,483,726)
At 31 December 2003	1,513,066	616,476	2,129,542
Net Book Value			
At 31 December 2003	4,580,062	216,603	4,796,665
At 31 December 2002	1,803,850	25,433	1,829,283
Disposals relate to assets scrapped on refurbishment works during the year.			

LAYBRAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2003

9. Stocks

	2003 £	2002 £
Finished goods and goods held for resale	2,243,035	2,775,741

10. Debtors

	2003 £	2002 £
Trade debtors	199,481	193,693
Amounts owed by group undertakings	2,012,740	6,525,428
Other debtors	113,256	—
Prepayments and accrued income	547,206	572,022
	2,872,683	7,291,143

All amounts shown under debtors fall due for payment within one year

11. Creditors: Amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	48,229	—
Trade creditors	729,660	1,213,780
Amounts owed to group undertakings	382,688	936,056
Other taxation and social security	39,534	31,829
Other creditors	74,362	69,084
Accruals and deferred income	1,373,810	684,357
	2,648,283	2,935,106

12. Deferred taxation

	2003 £	2002 £
The movement in the deferred taxation provision during the year was:		
Provision brought forward	385,610	500,468
Profit and loss account movement arising during the year	133,023	(114,858)
Provision carried forward	518,633	385,610

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

	2003 £	2002 £
Excess of taxation allowances over depreciation on fixed assets	518,633	385,610
	518,633	385,610

LAYBRAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2003

13. Operating lease commitments

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	<i>Land & Buildings</i>	
	2003	2002
	£	£
Operating leases which expire:		
After more than 5 years	<u>1,948,500</u>	<u>1,905,500</u>

14. Contingencies

The company is party to a cross guarantee to secure the borrowings of its parent company, Como Holdings (UK) Limited. As at 31 December 2003, the amount guaranteed was £Nil (2002:£79,472).

15. Related party transactions

The company has taken advantage of the exemption available in FRS 8 relating to the disclosure of transactions with group companies.

16. Share capital

Authorised share capital:

	2003	2002
	£	£
1,000,000 Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid:

	2003		2002	
	No	£	No	£
Ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>

17. Profit and loss account

	2003	2002
	£	£
Balance brought forward	8,223,469	8,129,259
(Accumulated loss)/retained profit for the financial year	<u>(1,656,977)</u>	<u>94,210</u>
Balance carried forward	<u>6,566,492</u>	<u>8,223,469</u>

18. Reconciliation of movements in shareholders' funds

	2003	2002
	£	£
(Loss)/Profit for the financial year	(1,656,977)	94,210
Opening shareholders' equity funds	<u>9,223,469</u>	<u>9,129,259</u>
Closing shareholders' equity funds	<u>7,566,492</u>	<u>9,223,469</u>

LAYBRAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year Ended 31 December 2003

19. Ultimate parent company

Adobe Holdings Limited, a company incorporated in Gibraltar, is regarded by the directors as the company's ultimate parent company.

The company's intermediate parent company is Como Holdings (UK) Limited, a company registered in England and Wales.