

REGISTRY OF
COMPANIES

2009767

Laybran Limited

Report and Financial Statements

**Year Ended
31 December 1993**



BDO

BDO Stoy Hayward
Chartered Accountants

LAYBRAN LIMITED

Annual report and financial statements for the year ended 31 December 1993

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Directors

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Directors

B L K Heng
V K Sodhy

Secretary and registered office

G C V Morris, 172 New Bond Street, London, W1Y 9PB.

Company number

2199767

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1M 1DA.

LAYBRAN LIMITED

Report of the directors for the year ended 31 December 1993

The directors present their report together with the audited financial statements for the year ended 31 December 1993.

Results and dividends

The profit and loss account is set out on page 3 and shows the profit for the year.

The directors do not recommend the payment of a dividend.

Principal activities, trading review and future developments

The principle activity of the company is the retailing of high fashion clothing under the "Giorgio Armani" label.

The directors expect a similar result for the ensuing year.

Significant changes in fixed assets

Significant changes in fixed assets are shown in note 8 to the financial statements.

Directors

The directors of the company during the year, neither of whom had any interest in the ordinary share capital of the company were:

B L K Heng

V K Sodhy

LAYBRAN LIMITED

Report of the directors for the year ended 31 December 1993 (*Continued*)

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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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. 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

Following their admission on 1 October 1994 as the United Kingdom representatives of BDO International our auditors have changed their name to BDO Stoy Hayward with effect from that date. BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board


G C V Morris

Secretary

Date 13 APRIL 1995

LAYBRAN LIMITED**Profit and loss account for the year ended 31 December 1993**

	Note	1993 £	1992 £
Turnover	2	6,137,168	4,486,916
Cost of sales		2,707,819	2,357,344
		<hr/>	<hr/>
Gross profit		3,429,349	2,129,572
Administrative expenses		1,704,515	1,521,763
		<hr/>	<hr/>
		1,724,834	607,809
Interest receivable	4	109,028	26,312
Interest payable	5	(7,172)	(16,178)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	6	1,826,690	617,943
Tax on profit on ordinary activities	7	397,394	10,485
		<hr/>	<hr/>
Profit on ordinary activities after taxation		1,429,296	607,458
Retained loss brought forward		(250,359)	(857,817)
		<hr/>	<hr/>
Retained profit/(loss) carried forward		1,178,937	(250,359)
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The retained profit for the period represents the movement in shareholders funds.

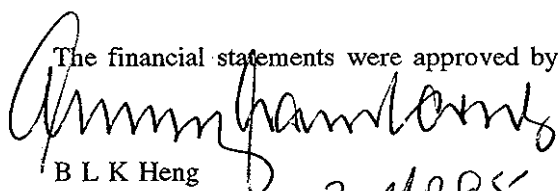
The notes on pages 6 to 10 form part of these financial statements

LAYBRAN LIMITED

Balance sheet at 31 December 1993

	Note	1993	1992
		£	£
Fixed assets			
Tangible assets	8	335,531	416,180
Current assets			
Stocks	9	313,850	355,705
Debtors	10	3,167,366	937,386
Cash at bank and in hand		153,716	171,092
		<u>3,634,932</u>	<u>1,464,183</u>
Creditors: amounts falling due within one year	11	<u>1,791,526</u>	<u>1,130,722</u>
Net current assets		<u>1,843,406</u>	<u>333,461</u>
Total assets less current liabilities		<u>2,178,937</u>	<u>749,641</u>
Capital and reserves			
Called up share capital	12	1,000,000	1,000,000
Profit and loss account		1,178,937	(250,359)
		<u>2,178,937</u>	<u>749,641</u>

The financial statements were approved by the Board on


 B L K Heng
 Director
 13 APR 95

The notes on pages 6 to 10 form part of these financial statements

LAYBRAN LIMITED

Cash flow statement for the year ended 31 December 1993

	Note	1993	1992
		£	£
Net cash inflow from operating activities	14	2,513,225	43,722
Returns on investments and servicing of finance			
Interest paid		(7,172)	(16,178)
Interest received		109,028	3,294
Net cash outflow from returns on investments and servicing of finance		101,856	(12,884)
Taxation paid		(10,485)	-
Investing activities			
Payments to acquire tangible fixed assets		(1,351)	-
Net cash outflow from investing activities		(1,351)	-
Net cash inflow before financing		2,603,245	30,838
Financing			
Short term loan to fellow subsidiary		(2,200,000)	-
Increase in cash and cash equivalents	16	403,245	30,838

The notes on pages 6 to 10 form part of these financial statements

LAYBRAN LIMITED

Notes forming part of the financial statements for the year ended 31 December 1993

1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Turnover

Turnover represents sales to outside customers exclusive of value added tax.

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, over their expected useful lives. It is calculated at the following rates:

Furniture and equipment	- 16.67% to 33% per annum
Short leasehold property	- Over length of licence

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, except that no provision is made where it can be reasonably foreseen that such deferred taxation will not be payable in the future.

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

LAYBRAN LIMITEDNotes forming part of the financial statements for the year ended 31 December 1993 (*Continued*)**3 Employees**

	1993 £	1992 £
Staff costs consist of:		
Wages and salaries	350,826	428,019
Social security costs	35,014	44,427
Other pension costs	-	6,050
	<u>385,840</u>	<u>478,496</u>

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

	Number	Number
Part time	3	3
Full time	19	19
	<u>22</u>	<u>22</u>

4 Interest receivable

	£	£
Bank interest receivable	8,807	3,294
Group company interest receivable	100,221	23,018
	<u>109,028</u>	<u>26,312</u>

5 Interest payable

Bank loans and overdrafts	<u>7,172</u>	<u>16,178</u>
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LAYBRAN LIMITED

Notes forming part of the financial statements for the year ended 31 December 1993 (*Continued*)

6 Profit on ordinary activities before taxation

	1993 £	1992 £
This is arrived at after charging:		
Depreciation	82,000	86,168
Auditors' remuneration	7,040	6,995
Directors' emoluments	-	-
	<u> </u>	<u> </u>

7 Taxation

UK corporation tax at 33% (1992 - 33%) based on profit for the year	397,394	10,485
	<u> </u>	<u> </u>

8 Tangible assets

	Short leasehold property £	Furniture and equipment £	Total £
<i>Cost</i>			
At beginning of year	1,013,711	110,515	1,124,226
Additions	-	1,351	1,351
	<u> </u>	<u> </u>	<u> </u>
At end of year	1,013,711	111,866	1,125,577
	<u> </u>	<u> </u>	<u> </u>
<i>Depreciation</i>			
At beginning of year	638,937	69,109	708,046
Provided for the year	62,462	19,538	82,000
	<u> </u>	<u> </u>	<u> </u>
At end of year	701,399	88,647	790,046
	<u> </u>	<u> </u>	<u> </u>
<i>Net book value</i>			
At 31 December 1993	312,312	23,219	335,531
	<u> </u>	<u> </u>	<u> </u>
At 31 December 1992	374,774	41,406	416,180
	<u> </u>	<u> </u>	<u> </u>

LAYBRAN LIMITED

Notes forming part of the financial statements for the year ended 31 December 1993 (*Continued*)

9 Stocks

	1993 £	1992 £
Finished goods and goods for resale	313,850	355,705

10 Debtors

Trade debtors	60,993	23,072
Amounts owed by group undertakings	2,305,187	774,239
Prepayments	88,004	86,980
Other debtors	713,182	53,095
	<u>3,167,366</u>	<u>937,386</u>

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

11 Creditors: amounts falling due within one year

Bank overdraft	160,316	580,937
Trade creditors	641,079	299,054
Amounts owed to group undertakings	468,984	543
Taxation and social security	77,931	20,997
Corporation tax	397,394	10,485
Accruals	44,509	114,326
Other creditors	1,313	104,380
	<u>1,791,526</u>	<u>1,130,722</u>

12 Share capital

<i>Authorised, allotted and fully paid</i>		
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000

13 Ultimate parent company

Lakeshire Co Limited, a company incorporated in Liberia, is regarded by the directors as the company's ultimate parent company.

LAYBRAN LIMITED

Notes forming part of the financial statements for the year ended 31 December 1993 *(Continued)*

14 Reconciliation of operating profit to net cash inflow from operating activities

	1993 £	1992 £
Operating profit	1,724,834	607,809
Depreciation charges	82,000	86,168
(Increase)/decrease in stocks	41,855	(15,921)
(Increase)/decrease in debtors	(29,980)	175,965
Increase/(decrease) in creditors	694,516	(810,299)
	<hr/>	<hr/>
	2,513,225	43,722
	<hr/>	<hr/>

15 Analysis of the balances of cash and cash equivalents during the year

Balance at 1 January 1993	(409,845)	(440,683)
Net cash inflow	403,245	30,838
	<hr/>	<hr/>
Balance at 31 December 1993	(6,600)	(409,845)
	<hr/>	<hr/>

16 Analysis of the balances of cash and cash equivalents as shown in the balance sheet

	1993 £	1992 £	Change in year £
Cash at bank and in hand	153,716	171,092	(17,376)
Bank overdrafts	(160,316)	(580,937)	420,621
	<hr/>	<hr/>	<hr/>
	(6,600)	(409,845)	403,245
	<hr/>	<hr/>	<hr/>

LAYBRAN LIMITED

Report of the auditors

To the shareholders of Laybran Limited

We have audited the financial statements on pages 3 to 10 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the 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.

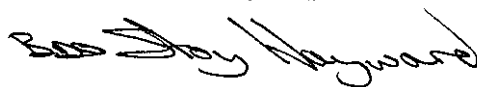
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


BDO STOY HAYWARD
*Chartered Accountants
and Registered Auditors*
London

13 April 1995