

**Laybran Limited**

Report and Financial Statements

Year Ended

31 December 1994



**BDO Stoy Hayward**  
**Chartered Accountants**

# **LAYBRAN LIMITED**

## **Annual report and financial statements for the year ended 31 December 1994**

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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 1994**

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The directors present their report together with the audited financial statements for the year ended 31 December 1994.

#### **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 principal 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 1994 (*Continued*)

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#### 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:

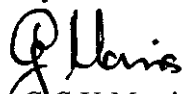
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

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

24 August 1995

**LAYBRAN LIMITED****Profit and loss account for the year ended 31 December 1994**

	Note	1994 £	1993 £
Turnover	2	7,688,697	6,137,168
Cost of sales		3,266,968	2,707,819
		<hr/>	<hr/>
Gross profit		4,421,729	3,429,349
Administrative expenses		1,819,273	1,704,515
		<hr/>	<hr/>
		2,602,456	1,724,834
Interest receivable	4	71,018	109,028
Interest payable	5	(13,337)	(7,172)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	6	2,660,137	1,826,690
Tax on profit on ordinary activities	7	-	397,394
		<hr/>	<hr/>
Profit on ordinary activities after taxation		2,660,137	1,429,296
Retained profit/(loss) brought forward		1,178,937	(250,359)
		<hr/>	<hr/>
Retained profit carried forward		3,839,074	1,178,937
		<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 5 to 8 form part of these financial statements

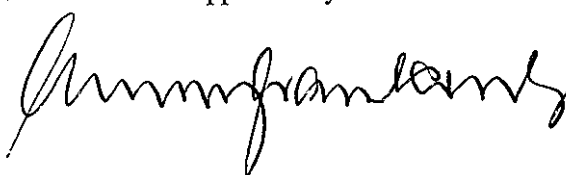
**LAYBRAN LIMITED****Balance sheet at 31 December 1994**

	Note	1994	1993
		£	£
<b>Fixed assets</b>			
Tangible assets	8	263,209	335,531
<b>Current assets</b>			
Stocks	9	363,846	313,850
Debtors	10	5,544,894	3,167,366
Cash at bank and in hand		20,526	153,716
		<u>5,929,266</u>	<u>3,634,932</u>
<b>Creditors: amounts falling due within one year</b>	11	<u>1,353,401</u>	<u>1,791,526</u>
<b>Net current assets</b>		<u>4,575,865</u>	<u>1,843,406</u>
<b>Total assets less current liabilities</b>		<u>4,839,074</u>	<u>2,178,937</u>
<b>Capital and reserves</b>			
Called up share capital	12	1,000,000	1,000,000
Profit and loss account		3,839,074	1,178,937
<b>Shareholders Funds</b>		<u>4,839,074</u>	<u>2,178,937</u>

All Shareholders funds are equity

The financial statements were approved by the Board on 24 August 1995.

B L K Heng  
Director



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

# LAYBRAN LIMITED

Notes forming part of the financial statements for the year ended 31 December 1994

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## 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 LIMITED**Notes forming part of the financial statements for the year ended 31 December 1994 (*Continued*)**3 Employees**

	1994 £	1993 £
Staff costs consist of:		
Wages and salaries	445,357	350,826
Social security costs	42,766	35,014
	<u>          </u>	<u>          </u>
	488,123	385,840
	<u>          </u>	<u>          </u>

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

	Number	Number
Part time	2	3
Full time	20	19
	<u>          </u>	<u>          </u>
	22	22
	<u>          </u>	<u>          </u>

**4 Interest receivable**

	£	£
Bank interest receivable	1,942	8,807
Group company interest receivable	69,076	100,221
	<u>          </u>	<u>          </u>
	71,018	109,028
	<u>          </u>	<u>          </u>

**5 Interest payable**

Bank loans and overdrafts	13,337	7,172
	<u>          </u>	<u>          </u>



# LAYBRAN LIMITED

Notes forming part of the financial statements for the year ended 31 December 1994 (*Continued*)

## 6 Profit on ordinary activities before taxation

	1994 £	1993 £
This is arrived at after charging:		
Depreciation	73,477	82,000
Auditors' remuneration	11,858	7,040
Directors' emoluments	-	-
	<u>          </u>	<u>          </u>

## 7 Taxation

UK corporation tax at 33% (1993 - 33%) based on profit for the year	-	397,394
	<u>          </u>	<u>          </u>

## 8 Tangible assets

	Short leasehold property £	Furniture and equipment £	Total £
<i>Cost</i>			
At beginning of year	1,013,711	111,866	1,125,577
Additions	450	705	1,155
	<u>          </u>	<u>          </u>	<u>          </u>
At end of year	1,014,161	112,571	1,126,732
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Depreciation</i>			
At beginning of year	701,399	88,647	790,046
Provided for the year	62,463	11,014	73,477
	<u>          </u>	<u>          </u>	<u>          </u>
At end of year	763,862	99,661	863,523
	<u>          </u>	<u>          </u>	<u>          </u>
<i>Net book value</i>			
At 31 December 1994	250,299	12,910	263,209
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 1993	312,312	23,219	335,531
	<u>          </u>	<u>          </u>	<u>          </u>

# LAYBRAN LIMITED

Notes forming part of the financial statements for the year ended 31 December 1994 (*Continued*)

## 9 Stocks

	1994 £	1993 £
Finished goods and goods for resale	363,846	313,850

## 10 Debtors

Trade debtors	95,700	60,993
Amounts owed by group undertakings	1,859,444	2,305,187
Prepayments	91,524	88,004
Other debtors	3,487,393	713,182
Corporation Tax	10,833	-
	5,544,894	3,167,366

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

## 11 Creditors: amounts falling due within one year

Bank overdraft	620,642	160,316
Trade creditors	223,609	641,079
Amounts owed to group undertakings	199,970	468,984
Taxation and social security	98,175	77,931
Corporation tax	-	397,394
Accruals	112,353	44,509
Other creditors	98,652	1,313
	1,353,401	1,791,526

## 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

## Report of the auditors

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### To the shareholders of Laybran Limited

We have audited the financial statements on pages 3 to 8 which have been prepared under the accounting policies set out on page 5.

#### *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 1994 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

Date

24/8/95