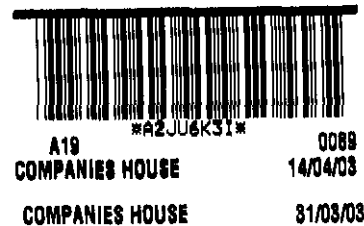


Birmingham Hosiery Limited
Financial Statements
Year Ended 31st May 2002

Company Registration Number 02715270
Incorporated England & Wales



JAVED & CO
Chartered Accountants
109 Hagley Road
Birmingham
B16 8LA



Birmingham Hosiery Limited
Financial Statements
For the Year Ended 31st May 2002

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The following pages do not form part of the financial statements

Detailed profit and loss account	Appendix 1
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Mr Kanwaljit Singh Gill
Mrs Kashmir Kaur Gill

Mr Kanwaljit Singh Gill

65 Hamilton Avenue
Harborne
Birmingham
B17 8AS

Lloyds TSB Bank Plc
798 Bristol Road South
Northfield
B31 2NP

Javed & Co
Chartered Accountants
109 Hagley Road
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Birmingham Hosiery Limited
The Directors' Report
For the Year Ended 31st May 2002

The directors present their report and the audited financial statements of the company for the year ended 31st May 2002.

Principal activities

The principal activity of the company is that of a supplier of hosiery.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £73,732.

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 recommended the following dividends:

	2002	2001
	£	£
Dividends paid on ordinary shares	<u>22,000</u>	<u>27,300</u>

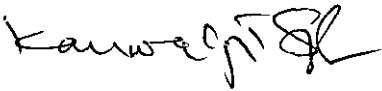
Directors

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each at	
	31 May 2002	1 June 2001
Mr Kanwaljit Singh Gill	50	50
Mrs Kashmir Kaur Gill	<u>50</u>	<u>50</u>

On behalf of the board

65 Hamilton Avenue
 Harborne
 Birmingham
 B17 8AS



Mr Kanwaljit Singh Gill
 Director

Dated: 31st March 2003

Birmingham Hosiery Limited
Statement of Directors' Responsibilities
For the Year Ended 31st May 2002

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.

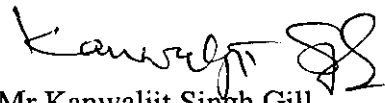
In preparing those financial statements, the directors are required to:

- select suitable accounting policies, as described on page 7, 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. 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.

On behalf of the board

65 Hamilton Avenue
Harborne
Birmingham
B17 8AS


Mr Kanwaljit Singh Gill
Director
Dated: 31st March 2003

Birmingham Hosiery Limited
Accountants' Report on the unaudited accounts to the Shareholders
For the Year Ended 31st May 2002

We report on the accounts for the year ended 31st May 2002 set out on pages 5 to 12.

Respective responsibilities of the directors and accountants

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.


Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purpose of this report. These procedures provide only assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985:
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirement specified in Section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the period specified in Section 249A(4) of the Act and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).



JAVED & CO
Chartered Accountants
& Registered Auditors

109 Hagley Road
Birmingham
B16 8LA

Dated: 31st March 2003

Birmingham Hosiery Limited
Profit and Loss Account
For the Year Ended 31st May 2002

	Note	2002 £	2001 £
Turnover	2	421,607	424,450
Cost of sales		(342,312)	(344,325)
Gross profit		<u>79,295</u>	<u>80,125</u>
Administrative expenses		(47,457)	(36,135)
Operating profit	3	31,838	43,990
Interest payable and similar charges	6	(10,314)	(12,055)
Profit on ordinary activities before taxation		<u>21,524</u>	<u>31,935</u>
Tax on profit on ordinary activities	7	(3,130)	(5,624)
Profit on ordinary activities after taxation		<u>18,394</u>	<u>26,311</u>
Dividends	8	(22,000)	(27,300)
Loss for the financial year		<u><u>(3,606)</u></u>	<u><u>(989)</u></u>

Movements in reserves are shown in the notes.

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

None of the company's activities were acquired or discontinued during the above financial period.

The notes on pages 7 to 12 form part of these financial statements.

Birmingham Hosiery Limited
Balance Sheet
As at 31st May 2002

	Note	2002	2001
		£	£
Fixed assets			
Intangible assets	9	4,194	5,243
Tangible assets	10	7,084	7,910
		<u>11,278</u>	<u>13,153</u>
Current assets			
Stocks	11	17,729	20,279
Debtors	12	244,893	255,167
Cash in hand	13	13	10
		<u>262,635</u>	<u>275,456</u>
Creditors: Amounts falling due within one year	13	<u>(200,181)</u>	<u>(131,454)</u>
Net current assets		<u>62,454</u>	<u>144,002</u>
Total assets less current liabilities		<u>73,732</u>	<u>157,155</u>
Creditors: Amounts falling due after more than one year	14	<u>-</u>	<u>(79,817)</u>
		<u>73,732</u>	<u>77,338</u>
Capital and reserves			
Called-up equity share capital	16	100	100
Profit and Loss Account	17	73,632	77,238
Shareholders' funds	18	<u>73,732</u>	<u>77,338</u>

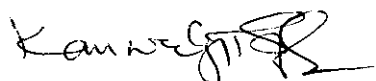
The directors have taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249a(2) (partial exemption).

The directors have acknowledged their responsibilities for preparing accounts which give a true and fair view if the company and of its profit/loss (which ever is applicable) for the year then ended in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this company.

The directors have acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985.

The directors have confirmed that no notice has been disposed under Section 249b(2) of the Companies Act 1985.

The financial statements on pages 5 to 12 were approved by the board of directors on 31st March 2003 and are signed on their behalf by:



Mr Kanwaljit Singh Gill
 Director

Birmingham Hosiery Limited
Notes to the Financial Statements
For the Year Ended 31st May 2002

1. Accounting policies

Basis of accounting

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

Turnover

The turnover shown in the Profit and Loss Account represents amounts invoiced during the period, after deduction of trade discounts and Value Added Tax.

Amortisation

Amortisation 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:

Goodwill - 20%

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:

Fixtures & Fittings - 15%

Motor Vehicles - 25%

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2. Turnover

The turnover and profit before tax are attributable to the principal activity of the company. The company's turnover is attributable to activities carried out in the United Kingdom.

Birmingham Hosiery Limited
Notes to the Financial Statements
For the Year Ended 31st May 2002

3. Operating profit

Operating profit is stated after charging:

	2002	2001
	£	£
Amortisation	1,049	1,311
Staff costs (note 4)	13,573	15,026
Depreciation (note 10)	2,043	2,455
Loss on disposal of fixed assets	-	742
Auditors' remuneration	850	850
	<u>13,573</u>	<u>15,026</u>

4. Particulars of employees

The average number of staff including executive directors employed by the company during the financial year was as follows:

	2002	2001
	£	£
	Number	Number
Administrative staff	1	1
Management staff	2	2
	<u>3</u>	<u>3</u>

The aggregate payroll costs of the above were:

	2002	2001
	£	£
Wages and salaries	12,106	13,476
Social security costs	267	350
Other pension costs	1,200	1,200
	<u>13,573</u>	<u>15,026</u>

5. Directors' emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2002	2001
	£	£
Emoluments receivable	10,800	10,800
Value of company pension contributions to money purchase schemes	1,200	1,200
	<u>12,000</u>	<u>12,000</u>

Birmingham Hosiery Limited
Notes to the Financial Statements
For the Year Ended 31st May 2002

5. Directors' emoluments *(continued)*

The number of directors who are accruing benefits under company pension schemes were as follows:

	2002	2001
	£	£
	Number	Number
Money purchase schemes	<u>2</u>	<u>2</u>

6. Interest payable and similar charges

	2002	2001
	£	£
Interest payable on bank overdrafts	3,803	3,500
Interest payable on bank loans	6,511	8,555
	<u>10,314</u>	<u>12,055</u>

7. Tax on profit on ordinary activities

	2002	2001
	£	£
Corporation Tax at 15.60% (2001 - 18.40%)	<u>3,130</u>	<u>5,624</u>

8. Dividends

	2002	2001
	£	£
Dividend paid on ordinary shares	<u>22,000</u>	<u>27,300</u>

9. Intangible fixed assets

	Goodwill
	£
Cost	
At 1st June 2001 and 31st May 2002	<u>20,000</u>
Amortisation	
At 1st June 2001	14,757
Charge for the year	1,049
At 31st May 2002	<u>15,806</u>
Net book value	
At 31st May 2002	<u>4,194</u>
At 31st May 2001	<u>5,243</u>

Birmingham Hosiery Limited
Notes to the Financial Statements
For the Year Ended 31st May 2002

10. Tangible fixed assets

	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost			
At 1st June 2001	2,205	8,995	11,200
Additions	<u>1,217</u>	<u>-</u>	<u>1,217</u>
At 31st May 2002	<u><u>3,422</u></u>	<u><u>8,995</u></u>	<u><u>12,417</u></u>
Depreciation			
At 1st June 2001	1,041	2,249	3,290
Charge for the year	<u>357</u>	<u>1,686</u>	<u>2,043</u>
At 31st May 2002	<u><u>1,398</u></u>	<u><u>3,935</u></u>	<u><u>5,333</u></u>
Net book value			
At 31st May 2002	<u><u>2,024</u></u>	<u><u>5,060</u></u>	<u><u>7,084</u></u>
At 31st May 2001	<u><u>1,164</u></u>	<u><u>6,746</u></u>	<u><u>7,910</u></u>

11. Stocks

	2002 £	2001 £
Goods for resale	<u>17,729</u>	<u>20,279</u>

12. Debtors: Amounts falling due within one year

	2002 £	2001 £
Trade debtors	244,893	254,597
Directors' Loan Account	<u>-</u>	<u>570</u>
	<u><u>244,893</u></u>	<u><u>255,167</u></u>

Birmingham Hosiery Limited
Notes to the Financial Statements
For the Year Ended 31st May 2002

13. Creditors: Amounts falling due within one year

	2002	2001
	£	£
Bank loans and overdrafts	59,172	65,002
Trade creditors	60,387	49,955
Directors' loan accounts	67,706	-
Corporation Tax	8,767	8,890
Other taxation and social security costs	1,549	1,907
Accruals and deferred income	2,600	5,700
	<u>200,181</u>	<u>131,454</u>

The bank loan and overdraft are secured by a debenture over the company's assets.

14. Creditors: Amounts falling due after more than one year

	2002	2001
	£	£
Bank loans and overdrafts	-	79,817
	<u>-</u>	<u>79,817</u>

15. Creditors - capital instruments

Creditors include finance capital which is due for repayment as follows:

	2002	2001
	£	£
In one year or less, or on demand	26,092	7,171
Between one and two years	-	37,177
Between two and five years	-	42,640
	<u>26,092</u>	<u>86,988</u>

16. Share capital

Authorised share capital

	2002	2001
	£	£
10,000 Ordinary shares of £1.00 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid

	2002	2001
	£	£
Ordinary share capital	<u>100</u>	<u>100</u>

Birmingham Hosiery Limited
Notes to the Financial Statements
For the Year Ended 31st May 2002

17. Profit and loss account

	2002	2001
	£	£
Balance brought forward	77,238	78,227
Retained loss for the financial year	(3,606)	(989)
Balance carried forward	<u>73,632</u>	<u>77,238</u>

18. Reconciliation of movements in shareholders' funds

	2002	2001
	£	£
Profit for the financial year	18,394	26,311
Dividends	(22,000)	(27,300)
	<u>(3,606)</u>	<u>(989)</u>
Opening shareholders' equity funds	77,338	78,327
Closing shareholders' equity funds	<u>73,732</u>	<u>77,338</u>