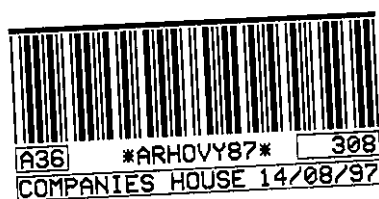


LUCKY JOE LIMITED
REPORT AND ACCOUNTS
FOR THE
YEAR ENDED 31ST JULY 1996



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LUCKY JOE LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31st July 1996

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DIRECTORS

T W Chapman Esq
Mrs R E Chapman

COMPANY SECRETARY

Mrs R E Chapman

AUDITORS

Lodge Parker & Co
Registered Auditor
Chartered Accountants
182 Gloucester Place
London NW1 6DS

BANKERS

Barclays Bank Plc
8 Alexandra Road
Wimbledon
London SW19 7LA

REGISTERED OFFICE

182 Gloucester Place
London NW1 6DS

REGISTERED NUMBER

02717838 England and Wales

LUCKY JOE LIMITED

REPORT OF THE DIRECTORS

For the year ended 31st July 1996

The Directors submit their annual report and the audited accounts of the company for the year ended 31st July 1996.

THE BUSINESS OF THE COMPANY

The company's principal activity is that of fashion retailers.

There have been no abnormal in events either during the year or since the balance sheet date. In the opinion of the directors there are no matters not disclosed relating to the past, present or future activities of the company which could materially effect the members appreciation of the state of the company's affairs.

DIRECTORS AND SHAREHOLDERS

Directors who have served during the year and their beneficial interests in the share capital of the Company were as follows:-

	At 31st July 1996	At 31st July 1995
T W Chapman	75	75
Mrs R E Chapman	25	25
	---	---
	100	100
	===	===

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts the directors are required to:

1. select suitable accounting policies and then apply them consistently;
2. make judgements and estimates that are reasonable and prudent;
3. follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
4. prepare the accounts 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 accounts 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.

LUCKY JOE LIMITED

DIRECTORS' REPORT

For the year ended 31st July 1996 (continued)

OTHER MATTERS

A resolution to re-appoint Lodge Parker & Co as auditors will be put to the members at the Annual General Meeting.


The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

No political or charitable donations over £200 were made during the year.

By Order of the Board

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies provided by Part II of Schedule 8 to the Companies Act 1985.

Secretary


Mrs R E Chapman

Dated 6th August 1997

LUCKY JOE LIMITED

AUDITORS' REPORT

TO THE MEMBERS OF LUCKY JOE LIMITED

We have audited the accounts on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements by the directors in the preparation of the accounts, 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 accounts are free from 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31st July 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

182 GLOUCESTER PLACE
LONDON NW1 6DS


LODGE PARKER & CO
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

6TH AUGUST 1997

LUCKY JOE LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31st July 1996

	Notes	1996 £	1995 £
TURNOVER	2	3,930,107	3,785,678
COST OF SALES		2,354,605	2,275,786
		-----	-----
GROSS PROFIT		1,575,502	1,509,892
Administrative expenses		1,435,860	1,386,750
		-----	-----
OPERATING PROFIT		139,642	123,142
Interest receivable		-	97
		-----	-----
Profit on ordinary activities before taxation	3	139,642	123,239
Tax on profit on ordinary activities	5	39,208	38,109
		-----	-----
Profit on ordinary activities after taxation		100,434	85,130
		-----	-----
PROFIT FOR THE FINANCIAL YEAR		100,434	85,130
RETAINED PROFIT/(LOSS) BROUGHT FORWARD		19,204	(65,926)
		-----	-----
RETAINED PROFIT CARRIED FORWARD		£119,638	£19,204
		=====	=====

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above financial years.

Notes on pages 7 to 11 form part of these accounts

LUCKY JOE LIMITED

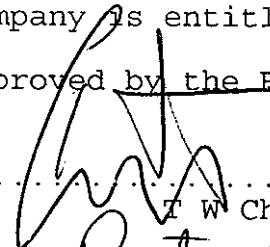

BALANCE SHEET

As at 31st July 1996

	Notes	1996 £	1995 £
FIXED ASSETS	6	227,056	257,143
CURRENT ASSETS			
Stock	7	789,807	541,483
Debtors	8	287,362	183,358
Investments	9	15,288	15,288
Cash at bank and in hand		1,672	1,818
		-----	-----
		1,094,129	741,947
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	10	(1,201,447)	(945,480)
		-----	-----
NET CURRENT LIABILITIES		(107,318)	(203,533)
		-----	-----
		119,738	53,610
Creditors: Amounts falling due after more than one year 11		-	(34,306)
		-----	-----
TOTAL NET ASSETS		£119,738	£19,304
		=====	=====
<u>CAPITAL & RESERVES:</u>			
Called up share capital	12	100	100
Profit & loss account		119,638	19,204
		-----	-----
SHAREHOLDERS FUNDS'	13	£119,738	£19,304
		=====	=====

The directors have taken advantage of special exemptions conferred by part 1 of Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

Approved by the Board on 6th August 1997.

..... Director

T W Chapman
..... Director

R E Chapman

The notes on pages 7 to 11 form part of these financial statements

LUCKY JOE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31st July 1996

1. ACCOUNTING POLICIES

There have been no changes in accounting policies during the year. The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention using the following policies:

Cash Flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard One "Cash Flow Statements".

Depreciation

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	-	straight line over the terms of the lease
Fixtures & fittings	-	20% on cost
Motor vehicles	-	20% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Foreign Assets and Liabilities

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions.

Deferred Taxation

Deferred taxation is not provided as the directors are of the opinion that no liability will arise in the foreseeable future.

Pension Costs

Contributions in respect of the company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme.

Lease and Hire Purchase Contracts

Assets purchased under Lease and Hire Purchase Contracts are included in fixed assets and depreciated in accordance with the policy above. The liabilities, net of finance charges allocated to future periods, are included in creditors. The finance charges are taken to the Profit and Loss Account in the period in which they are paid.

LUCKY JOE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31st July 1996 (continued)

2. TURNOVER

Turnover represents the amount of UK sales, stated net of value added tax, during the year ended 31st July 1996. The whole of the turnover and profit is attributable to the principal activity.

**3. PROFIT ON ORDINARY ACTIVITIES
BEFORE TAXATION**

1996	1995
£	£

This is stated after charging:-

Auditors remuneration	2,500	2,500
Directors' remuneration	125,000	55,717
Hire of equipment	13,638	12,564
Depreciation	61,610	64,806
Profit on sale of motor vehicles	(270)	(13,644)
	=====	=====

4. ADDITIONAL INFORMATION RELATING TO EMPLOYEES

Staff costs consist of:	1996	1995
	£	£

Wages and salaries (including directors remuneration)	639,907	587,687
Social security costs	60,366	54,010
Staff pensions	-	3,446
	-----	-----
	£700,273	£645,143
	=====	=====

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

Based on the profit for the year:

Corporation tax @ 25/24% (1995: 25%)	£39,208	£38,109
	=====	=====

LUCKY JOE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31st July 1996 (continued)

6. <u>FIXED ASSETS</u>	<u>Leashold property and improvements</u>	<u>Fittings and equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	£	£	£	£
<u>Cost</u>				
At 01.08.95	113,990	196,366	91,190	401,546
Additions	-	106,147	-	106,147
Disposals			(91,190)	(91,190)
	-----	-----	-----	-----
At 31.07.96	£113,990	£302,513	£NIL	£416,503
	=====	=====	=====	=====
<u>Depreciation</u>				
At 01.08.95	36,217	86,705	21,481	144,403
Charge for year	6,021	60,504	-	66,525
Disposals			(21,481)	(21,481)
	-----	-----	-----	-----
At 31.07.96	£42,238	£147,209	£NIL	£189,447
	=====	=====	=====	=====
<u>Net Book Value</u>				
At 31.07.96	£71,752	£155,304	£NIL	£227,056
	=====	=====	=====	=====
At 31.07.95	£77,773	£109,661	£69,709	£257,143
	=====	=====	=====	=====
7. <u>STOCKS</u>		1996	1995	
		£	£	
Goods for resale		£789,807	£541,483	
		=====	=====	
8. <u>DEBTORS</u>				
Trade debtors		170,121	132,312	
Other debtors		83,705	9,562	
Prepayments and accrued income		33,536	41,484	
		-----	-----	
		£287,362	£183,358	
		=====	=====	

LUCKY JOE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31st July 1996 (continued)

9. INVESTMENTS	1996 £	1995 £
Other investments	£15,288 =====	£15,288 =====
10. CREDITORS - Amounts falling Due Within One Year		
Bank loan & overdraft	148,677	293,370
Trade creditors	694,211	376,759
Current taxation	93,964	56,256
Other taxes and social security costs	222,056	153,234
Hire purchase creditor	-	16,445
Directors loan account	106	6,549
Other creditors and accruals	42,433	42,867
	----- £1,201,447 =====	----- £945,480 =====
11. CREDITORS - Amounts falling Due Within One Year		
Hire purchase creditor	£NIL ===	£34,306 =====
12. SHARE CAPITAL		
Authorised Ordinary shares of £1 each	£1,000 =====	£1,000 =====
Allotted, called and fully paid Ordinary Shares of £1 each	£100 ===	£100 ===

LUCKY JOE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 31st July 1996 (continued)

13. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	1996 £	1995 £
Profit for the financial year after taxation	100,434	85,130
Issue of new shares at par	-	-
	-----	-----
Opening shareholders' funds at 1st August 1995	100,434	85,130
	19,304	(65,826)
	-----	-----
Closing shareholders' funds at 31st July 1996	£119,738	£19,304
	=====	=====

14. CONTINGENT LIABILITIES

There were no contingent liabilities at the Balance Sheet date which have not been provided for in the accounts.

15. PENSION COMMITMENTS

The company operated a defined contribution pension scheme on behalf of one director and one employee. The assets of the scheme were held separately from those of the company in an independently administered fund. The annual commitment under this scheme was for contributions of £Nil (1995: £3,446).

16. TRANSACTIONS WITH DIRECTORS

Mr and Mrs Chapman are partners in the Silver partnership, fashion retailers, with whom the company has the following transactions:-

Purchases of goods services on behalf of Silver	225,630
Receipts from Silver	(165,981)
Fixed Assets sold to Silver (Net)	13,249

	£72,898
	=====