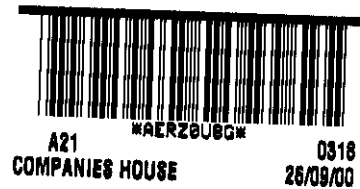


UNISMART LIMITED
Company No: 2754953
Financial Statements
For the year ended 30th November 1999

MYRUS SMITH
Chartered Accountants
Old Inn House
2 Carshalton Road
Sutton
Surrey
SM1 4SR



Registered Office

Old Inn House
2 Carshalton Road
Sutton
Surrey
SM1 4SR

Directors

S M Smith
M J Smith

Secretary

M J Smith

Auditors

Myrus Smith
Old Inn House
2 Carshalton Road
Sutton
Surrey
SM1 4SR

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1 and 2	Directors' Report
3	Auditors' Report
4	Profit and Loss Account
5	Balance Sheet
6 to 10	Notes to the Financial Statements

Directors' Report

for the year ended 30th November 1999

The directors submit their report together with the audited financial statements for the year ended 30th November 1999.

Directors' Statement

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 for that year. 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;

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 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.

Principal Activity

The principal activity of the company during the year was as designers and retailers of school uniforms.

Year 2000

The directors are aware of the Year 2000 problem and have taken adequate measures to ensure there was no adverse impact on the Company's operations.

All expenses to deal with this issue have been written off to the profit and loss account apart from those expenses which are of a capital nature which have been capitalised as fixed assets.

Directors and their Interests

The directors who served during the year and their beneficial interests in the share capital of the company were as follows:

	Ordinary shares of £1	
	1999 No.	1998 No.
S M Smith	1	1
F C Shepherd	1	1

F C Shepherd resigned as director and secretary of the company on 21 July 2000 and M J Smith was appointed as director and secretary on the same date.

Directors' Report

for the year ended 30th November 1999

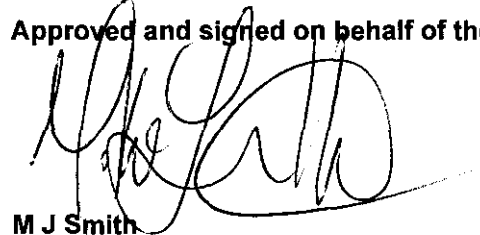
Auditors

The Auditors, Myrus Smith Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

Exemption Statement

This directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved and signed on behalf of the Board



**M J Smith
Secretary**

**Old Inn House
2 Carshalton Road
Sutton
Surrey
SM1 4SR**

Registered Office of the Company

19th August 2000

Auditors' Report to the Shareholders

on the Financial Statements for the year ended 30th November 1999

We have audited the financial statements on pages 4 to 10, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of the directors and auditors

As described on page 1 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 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.

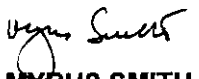
We planned and performed our audit so as to obtain all information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 30th November 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**Old Inn House
2 Carshalton Road
Sutton
Surrey
SM1 4SR**

24th August 2000


MYRUS SMITH
**Chartered Accountants
and Registered Auditor**

Profit and Loss Account

for the year ended 30th November 1999

	Notes	1999 £	1998 £
Turnover	2	469,118	391,251
Cost of sales		(262,028)	(222,596)
Gross profit		207,090	168,655
Administrative expenses		(178,243)	(158,099)
Operating profit	3	28,847	10,556
Interest payable	5	(11,694)	(6,263)
Profit on ordinary activities before Taxation		17,153	4,293
Tax on profit on ordinary activities		(4,530)	(992)
Profit on ordinary activities after Taxation		12,623	3,301
Dividends		-	(40,975)
Retained profit/(loss) transferred to/(from) reserves		12,623	(37,674)
Retained profit brought forward		6,929	44,603
Retained profit carried forward		19,552	6,929

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

Balance Sheet

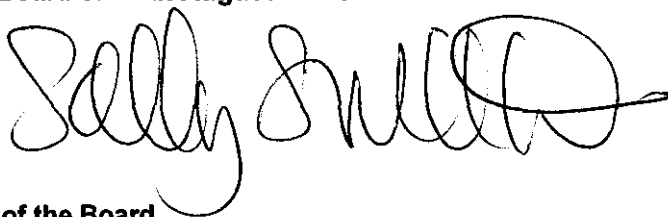
as at 30th November 1999

	Notes	1999 £	1999 £	1998 £	1998 £
Fixed Assets					
Tangible Fixed Assets	6		42,940		25,298
Current Assets					
Stock		120,766		99,008	
Debtors	7	28,833		11,452	
		149,599		110,460	
Creditors:					
Amounts falling due within one year	8	(150,083)		(115,706)	
Net Current (Liabilities)			(484)		(5,246)
Total Assets less Current Liabilities			42,456		20,052
Creditors:					
Amounts falling due after one year	9		(22,902)		(13,121)
			19,554		6,931
Capital and Reserves					
Called up share capital	12		2		2
Profit and loss account			19,552		6,929
Equity Shareholders' Funds	13		19,554		6,931

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the Board on 19th August 2000.

S M Smith
Director



Signed on behalf of the Board

Notes to the Financial Statements
for the year ended 30th November 1999

1 Principal Accounting Policies***Accounting Convention***

The financial statements have been prepared under the historical cost convention.

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 to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Leasehold land and buildings	straight line over the period of the lease
Motor vehicles	25% reducing balance
Furniture and equipment	25% reducing balance
Fixtures and fittings	10% straight line

Stocks

Stocks are stated at the lower of cost and net realisable value.

Contribution to Pension Funds

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

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.

2 Turnover

The turnover and operating profit for the year was derived from the company's principal activity and was carried out wholly in the UK.

Notes to the Financial Statements

for the year ended 30th November 1999

3 Operating Profit*The operating profit is stated after charging:*

	1999	1998
	£	£
Other operating lease rentals	35,753	16,753
Auditors remuneration	1,350	1,400
Depreciation - owned assets	5,127	2,251
Depreciation - assets held under hire purchase or finance lease contracts	2,215	2,953
Amortisation of intangible assets	2,421	2,421
Loss on disposal of fixed assets	-	2,491

4 Directors

	1999	1998
	£	£
Total remuneration	15,425	9,989

5 Interest Payable

	1999	1998
	£	£
Bank loans and overdrafts	6,329	4,620
Hire purchase & finance lease interest	5,365	1,643
	11,694	6,263

Notes to the Financial Statements

for the year ended 30th November 1999

6 Tangible Fixed Assets

	Leasehold Land and Buildings	Plant, Machinery and Other Assets	Total
	£	£	£
Cost			
At 1st December 1998	19,690	38,129	57,819
Additions	-	27,406	27,406
At 30th November 1999	19,690	65,535	85,225
Depreciation			
At 1st December 1998	10,005	22,516	32,521
Charge for period	2,421	7,343	9,764
At 30th November 1999	12,426	29,859	42,285
Net Book Value			
Owned assets	-	29,031	29,031
Leased assets	7,264	6,645	13,909
At 30th November 1999	7,264	35,676	42,940
Owned assets	-	6,753	6,753
Leased assets	9,685	8,860	18,545
At 30th November 1998	9,685	15,613	25,298

7 Debtors

	1999 £	1998 £
Trade debtors	5,419	5,017
Other debtors	23,414	6,435
	28,833	11,452

8 Creditors: Amounts falling due within one year

	1999 £	1998 £
Bank loans and overdrafts	33,925	25,304
Net obligations under hire purchase and finance lease contracts	2,133	6,186
Trade creditors	58,141	41,394
Other creditors	52,139	39,169
Corporation tax	3,745	3,653
	150,083	115,706

The bank loans and overdrafts are secured.

Notes to the Financial Statements

for the year ended 30th November 1999

9	Creditors: Amounts falling due after one year	1999	1998
		£	£
	Bank loans	16,066	13,121
	Net obligations under hire purchase and finance lease obligations	6,836	-
		<u>22,902</u>	<u>13,121</u>

Bank & other loans repayable after more than five years are repayable as follows:-

Within one year	6,805	-
Between one and two years	6,805	-
Between two and five years	9,261	-
	<u>22,871</u>	<u>-</u>

10	Obligations Under Hire Purchase & Finance Leases	1999	1998
		£	£
	Obligations under finance leases and hire purchase contracts are analysed as follows:		
	Within one year	2,133	6,186
	Between one and two years	6,836	-
		<u>8,969</u>	<u>6,186</u>

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

11 Operating lease commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the next financial year:

	1999	1998
	Land and buildings	Land and buildings
	£	£
Expiring:		
Within two to five years	<u>35,000</u>	<u>16,753</u>

12 Share Capital

Authorised	1999	1998
	£	£
1,000 Ordinary shares of £1 (1998: 1,000)	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid	1999	1998
	£	£
2 Ordinary shares of £1 (1998: 2)	<u>2</u>	<u>2</u>

Notes to the Financial Statements
for the year ended 30th November 1999

13 Reconciliation of the Movement in Shareholders' Funds	1999	1998
	£	£
Profit for the financial year	12,623	3,301
Dividends	-	(40,975)
Increase/(Decrease) in shareholders' funds	12,623	(37,674)
Opening shareholders' funds	6,931	44,605
Closing shareholders' funds	19,554	6,931

14 Pensions - Money Purchase Scheme

The company operates a money purchase pension scheme for the benefit of the directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The company contributed £4,200 (1998:£2,932) to the pension fund during the year.

15 Related Party Transactions

Details of related party transactions occurring during the year are as follows:

Name of related party	Nature of Relationship	Transaction Details	Amount	Balance	Amounts Written Off
			£	£	£
1999					
S M Smith	Director	Loan	7,073	(7,927)	-
F C Shepherd	Director	Loan	(11,726)	(26,726)	-
1998					
S M Smith	Director	Loan	15,000	(15,000)	-
F C Shepherd	Director	Loan	15,000	(15,000)	-

16 Controlling Party

The controlling party of the company is S M Smith and F C Shepherd.