

MORI LEE (UK) LIMITED

(Formerly Scapemain Limited)

REPORT AND ACCOUNTS

PERIOD ENDED 31 DECEMBER 1993

Company Registration No: 2754852



## DIRECTORS' REPORT

The Directors submit their report and accounts for the period ended 31 December 1993.

### REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company was formed on 12 October 1992 and commenced to trade in March 1993 selling bridalwear. The results for the period are very satisfactory and sales and profits are expected to increase in 1994.

### CHANGE OF NAME

On formation the company was called Scapomain Limited but on 25 January 1993 changed its name to Mori Lee (UK) Limited.

### RESULTS AND DIVIDENDS

The profit for the period after taxation was as stated on page 3. No dividends have been paid or are proposed for the period. The unappropriated profit to be transferred to reserves was £76,550

### SHARE CAPITAL

The issued share capital of the company is £1000 subscribed in cash and divided into A and B Ordinary Shares both having equal rights.

### DIRECTORS AND THEIR INTERESTS

The directors who have served during the period were:

<u>Name</u>	
Bonusworth Limited	Appointed 12/10/92 Resigned 12/1/93
B W Marvin	Appointed 12/1/93
D F Wilson	Appointed 5/3/93 Resigned 28/4/94
A Udell	Appointed 5/3/93
N P H Webster	Appointed 26/2/93
M Udell	Appointed 5/3/93
M Leibowitz	Appointed 5/3/93

No director has an interest in the share capital of the company.

### FIXED ASSETS

Fixed asset additions are summarised in note 6 to the accounts.

### STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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 of the company for that period. In preparing those accounts, 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 accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

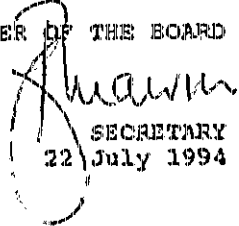
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking steps for the prevention and detection of fraud and other irregularities.

### AUDITORS

Ernst and Young the auditors appointed by the directors have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the annual general meeting.

Registered Office:  
London Road  
Grantham  
Lincs  
NG31 6HX

BY ORDER OF THE BOARD

  
SECRETARY  
22 July 1994

**REPORT OF THE AUDITORS**  
**to the members of Mori Lee (UK) Limited**

We have audited the accounts on pages 3 to 6 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 5.

**Respective responsibilities of directors and auditors**

As described on page 1 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.

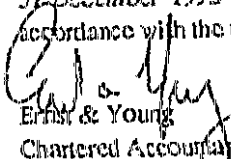
**Basis of opinion**

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 made 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 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 accounts.

**Opinion**

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

  
Ernst & Young  
Chartered Accountants  
Registered Auditor  
Manchester

Date: 22 July 1994

PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 DECEMBER 1993

	<u>Notes</u>	
<u>TURNOVER</u>	2	345,256
Change in stocks of finished goods and work in progress		155,643
		<hr/> 500,899
Raw materials and consumables		( 299,722 )
Other external charges		( 80,902 )
Wages and staff costs	4	( 16,344 )
Depreciation		( 1,382 )
		<hr/>
<u>OPERATING PROFIT</u>	3	102,549
Interest		226
		<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		102,775
Tax on profit on ordinary activities	5	( 26,225 )
		<hr/>
<u>PROFIT ATTRIBUTABLE TO ORDINARY SHAREHOLDERS</u>	13	£ 76,550
		<hr/>

Recognised gains and losses

There are no recognised gains and losses other than the profit attributable to shareholders of the company of £76,550 in the period ended 31 December 1993.

BALANCE SHEET AT 31 DECEMBER 1993

Notes

FIXED ASSETS

Tangible Assets	6	10,036
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CURRENT ASSETS

Stocks	7	135,643
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Debtors	8	224,907
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Cash at bank and in hand		16,785
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397,335

CREDITORS - Amounts falling due within one year	9	( 179,027 )
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<u>NET CURRENT ASSETS</u>		<u>218,308</u>
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<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>228,346</u>
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CREDITORS - Amounts falling due after more than one year		
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Loans	10	( 150,000 )
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Provision for Liabilities and Charges Deferred taxation	11	( 796 )
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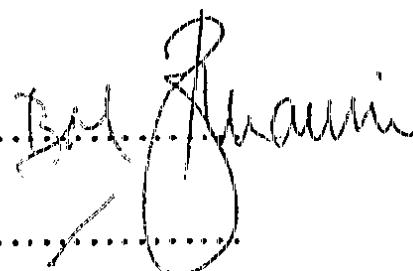
E 77,550

CAPITAL AND RESERVES

Called up share capital	12	1,000
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Profit and loss account	13	76,550
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E 77,550

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Date: 22 July 1994

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 DECEMBER 1993

1. ACCOUNTING POLICIES

- (a) The accounts are prepared in compliance with applicable accounting standards, the Companies Act 1985 and under the historical cost convention.
- (b) Turnover represents sale of goods and services, excluding value added tax, to customers.
- (c) The taxation charge is based on the profit for the period and includes deferred taxation provided on the liability method for those timing differences which it is considered may become payable or recoverable in the foreseeable future.
- (d) Depreciation on motor vehicles is calculated at 20% p.a. on cost.
- (e) Stocks are valued at the lower of cost and net realisable value. Net realisable value is based on the estimated selling price less further costs expected to be incurred prior to disposal.
- (f) Assets and liabilities in foreign currencies are translated to sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. Any differences arising from fluctuations in exchange rates are dealt with in the profit and loss account.

2. Turnover - Geographical Distribution

United Kingdom	343,154
Ireland	1,860
Rest of Europe	242
	<u>£ 345,256</u>

3. Operating Profit is Stated after Charging

Auditors' remuneration	£ 3,000
	<u>          </u>

4. Wages and Staff Costs

Wages and salaries	£ 16,344
	<u>          </u>

	<u>Number</u>
The average weekly number of employees during the period was	1
	<u>          </u>

No director received any remuneration during the period.

5. Tax on Profit on Ordinary Activities

Based on profit for the period at a rate of 25%	
Corporation tax	25,429
Deferred taxation	796
	<u>£ 26,225</u>

NOTES TO THE ACCOUNTS (Continued)

6.	<u>Tangible Fixed Assets</u>	<u>Motor Vehicles</u>
	<u>COST</u>	
	Additions	£11,420
	<u>DEPRECIATION</u>	
	Charge for period	£ 1,382
	NET BOOK VALUE AT 31 DECEMBER 1993	£10,038
7.	<u>Stocks</u>	
	Work in progress	119,141
	Finished goods	36,502
		£155,643
8.	<u>Debtors</u>	
	Trade debtors	220,999
	Prepayments and accrued income	3,908
		£224,907
9.	<u>Creditors: Amounts falling due within one year</u>	
	Loans (see note 10)	67,000
	Trade creditors	59,309
	Other taxes and social security costs	18,315
	Accruals	8,974
	Taxation	25,429
		£179,027
10.	<u>Loans</u>	
	Repayment within 5 years	217,000
	Included in creditors: amounts falling due within one year	67,000
		£150,000
	The loans are unsecured and interest free.	
11.	<u>Deferred Taxation</u>	
	Accelerated capital allowances	£ 796
12.	<u>Share Capital</u>	<u>Authorised</u> <u>Allotted, called up</u>
		<u>&amp; fully paid</u>
	'A' Ordinary Shares of £1 each	500      500
	'B' Ordinary Shares of £1 each	500      500
		£ 1000      £ 1000
13.	<u>Profit &amp; Loss Account</u>	
	Profit for period to 31 December 1993	£ 76,550
14.	<u>Reconciliation of movements in shareholders funds</u>	
	Profit attributable to ordinary shareholders	76,550
	New share capital subscribed	1,000
	Net increase to shareholders funds	77,550
	Opening shareholders funds	-
	Closing shareholders funds	£ 77,550