



WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2003



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GERALD EDELMAN

CHARTERED ACCOUNTANTS

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WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

DIRECTORS AND ADVISERS

Directors

J. Spiegel (USA)
B. Kovaly (USA)
J. Hastings (USA)
P. Rosengard (USA)

Secretary

Centron Management Limited

Company number

2840222

Registered office

69 Eccleston Square
London
SW1V 1PJ

Registered auditors

Gerald Edelman
25 Harley Street
London
W1G 9BR

Business address

Telford Road, Eastfield Estate
Glenrothes
Fife
Scotland
KY7 4NX

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

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WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their report and financial statements for the year ended 31 December 2003.

Directors

The following directors have held office since 1 January 2003:

J. Spiegel (USA)

B. Kovaly (USA)

J. Hastings (USA)

(Appointed 1 April 2003)

P. Rosengard (USA)

Principal activities and review of the business

The principal activity of the company continued to be that of the manufacture of neckwear.

Results and dividends

The consolidated profit and loss account for the year is set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Directors' interests

The directors' interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 December 2003	1 January 2003
J. Spiegel (USA)	-	-
B. Kovaly (USA)	-	-
P. Rosengard (USA)	-	-
J Hastings (USA)	-	-

The directors did not have any beneficial interests in the shares of the company.

The directors' interests in the shares of the holding company are disclosed in the accounts of that company.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Gerald Edelman be reappointed as auditors of the company will be put to the Annual General Meeting.

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

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 group and of the profit or loss of the group 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



J. Spiegel (USA)

Director

26 April 2004

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

We have audited the financial statements of Woodstock Neckwear Limited on pages 4 to 19 for the year ended 31 December 2003. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 and the group'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 and the group's affairs as at 31 December 2003 and of the group's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Gerald Edelman

Chartered Accountants
Registered Auditor

26 April 2004

25 Harley Street
London
W1G 9BR

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £	2002 £
Turnover	2	9,571,983	7,476,351
Cost of sales		(5,813,449)	(4,594,156)
Gross profit		3,758,534	2,882,195
Distribution costs		(1,969,571)	(1,264,440)
Administrative expenses		(643,664)	(519,948)
Other operating income		22,464	26,945
Operating profit	3	1,167,763	1,124,752
Other interest receivable and similar income		94,845	94,867
Interest payable and similar charges	4	(4,879)	(6,523)
Profit on ordinary activities before taxation	3	1,257,729	1,213,096
Tax on profit on ordinary activities	5	(327,648)	(262,711)
Profit on ordinary activities after taxation	16	930,081	950,385

The profit and loss account has been prepared on the basis that all operations are continuing operations.

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2003

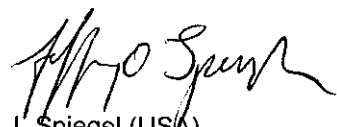
	2003 £	2002 £
Profit for the financial year	930,081	950,385
Currency translation differences on foreign currency net investments	<u>69,536</u>	<u>30,545</u>
Total recognised gains and losses relating to the year	<u><u>860,545</u></u>	<u><u>919,840</u></u>

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

BALANCE SHEETS AS AT 31 DECEMBER 2003

	Notes	Group 2003 £	Group 2002 £	Company 2003 £	Company 2002 £
Fixed assets					
Tangible assets	7	387,964	451,763	339,273	399,465
Investments	8	17,536	17,536	150,162	150,162
		<u>405,500</u>	<u>469,299</u>	<u>489,435</u>	<u>549,627</u>
Current assets					
Stocks	9	577,824	672,427	577,824	672,427
Debtors	10	2,278,569	1,312,165	1,995,676	1,104,501
Cash at bank and in hand		4,747,979	3,902,748	3,615,764	3,234,078
		<u>7,604,372</u>	<u>5,887,340</u>	<u>6,189,264</u>	<u>5,011,006</u>
Creditors: amounts falling due within one year	11	<u>(2,276,988)</u>	<u>(1,456,863)</u>	<u>(1,713,189)</u>	<u>(1,120,140)</u>
Net current assets		<u>5,327,384</u>	<u>4,430,477</u>	<u>4,476,075</u>	<u>3,890,866</u>
Total assets less current liabilities		<u>5,732,884</u>	<u>4,899,776</u>	<u>4,965,510</u>	<u>4,440,493</u>
Creditors: amounts falling due after more than one year	12	(57,105)	(78,644)	(57,105)	(78,644)
Accruals and deferred income	13	<u>(56,456)</u>	<u>(62,354)</u>	<u>(56,456)</u>	<u>(62,354)</u>
		<u>5,619,323</u>	<u>4,758,778</u>	<u>4,851,949</u>	<u>4,299,495</u>
Capital and reserves					
Called up share capital	15	200,000	200,000	200,000	200,000
Other reserves	16	62,540	48,468	-	-
Profit and loss account	16	5,356,783	4,510,310	4,651,949	4,099,495
Shareholders' funds - equity interests	17	<u>5,619,323</u>	<u>4,758,778</u>	<u>4,851,949</u>	<u>4,299,495</u>

The financial statements were approved by the board on 26 April 2004



J. Spiegel (USA)
Director

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003

	2003		2002	
	£	£	£	£
Net cash inflow from operating activities		466,191		1,227,066
Returns on investments and servicing of finance				
Interest received	777,708		94,867	
Interest paid	(4,879)		(6,523)	
Net cash inflow for returns on investments and servicing of finance		772,829		88,344
Taxation		(335,167)		(248,534)
Capital expenditure				
Payments to acquire tangible assets	(67,786)		(112,542)	
Receipts from sales of tangible assets	16,000		-	
Net cash outflow for capital expenditure		(51,786)		(112,542)
Equity dividends paid		4,492		-
Net cash inflow before management of liquid resources and financing		856,559		954,334
Financing				
Repayment of long term bank loan	(21,539)		(20,044)	
Net cash outflow from financing		(21,539)		(20,044)
Increase in cash in the year		835,020		934,290

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2003

1	Reconciliation of operating profit to net cash inflow from operating activities	2003	2002
		£	£
	Operating profit	484,900	1,124,752
	Depreciation of tangible assets	115,675	74,861
	Profit on disposal of tangible assets	(5,389)	-
	Decrease in stocks	94,603	60,015
	Increase in debtors	(966,404)	(41,658)
	Increase in creditors within one year	812,941	46,721
	Net effect of foreign exchange differences	(64,237)	(30,545)
	Movement on grant provision	(5,898)	(7,080)
	Net cash inflow from operating activities	466,191	1,227,066

2	Analysis of net funds	1 January 2003	Cash flow	Other non-cash changes	31 December 2003
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	3,902,748	845,231	-	4,747,979
	Bank overdrafts	-	(10,211)	-	(10,211)
		<u>3,902,748</u>	<u>835,020</u>	<u>-</u>	<u>4,737,768</u>
	Debts falling due within one year	(17,496)	-	-	(17,496)
	Debts falling due after one year	(78,644)	21,539	-	(57,105)
		<u>(96,140)</u>	<u>21,539</u>	<u>-</u>	<u>(74,601)</u>
	Net funds	<u>3,806,608</u>	<u>856,559</u>	<u>-</u>	<u>4,663,167</u>

3	Reconciliation of net cash flow to movement in net debt	2003	2002
		£	£
	Increase in cash in the year	835,020	934,290
	Cash outflow from decrease in debt	21,539	20,044
	Movement in net funds in the year	856,559	954,334
	Opening net funds	3,806,608	2,852,274
	Closing net funds	<u>4,663,167</u>	<u>3,806,608</u>

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 31 December 2003. The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.5 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Long leasehold property	4% straight line
Long leasehold property improvements	25% reducing balance
Plant and machinery	25% reducing balance
Office equipment	25% reducing balance, 25% straight line, 20% straight line, 33.3% straight line
Motor vehicle	20% straight line

1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.9 Stock

Stock is valued at the lower of cost and net realisable value.

1.10 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

1 Accounting policies

(continued)

1.11 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Recognition of deferred tax asset is limited to the extent the company anticipates making sufficient taxable profits in the future in to absorb. The deferred tax balance has not been discounted.

1.12 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into 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 transaction. All differences are taken to profit and loss account.

1.13 Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

2 Turnover

The total turnover of the group for the year has been derived from its principal activity undertaken in the United Kingdom and the People's Republic of China.

3 Operating profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	115,675	74,861
Loss on foreign exchange transactions	-	555
Operating lease rentals		
- Plant and machinery	1,053	1,213
Auditors' remuneration	22,000	19,750
and after crediting:		
Profit on disposal of tangible assets	(5,389)	-
Profit on foreign exchange transactions	(100,162)	(62,843)

4 Interest payable

	2003	2002
	£	£
On bank loans and overdrafts	4,879	6,523

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

5	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	260,793	263,114
	Adjustment for prior years	-	(53,823)
		<u>260,793</u>	<u>209,291</u>
	Foreign corporation tax		
	Foreign corporation tax	66,855	53,420
		<u>66,855</u>	<u>53,420</u>
	Current tax charge	<u>327,648</u>	<u>262,711</u>
		<u>327,648</u>	<u>262,711</u>
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	<u>1,257,729</u>	<u>1,213,096</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2002: 30.00%)	<u>377,319</u>	<u>363,929</u>
	Effects of:		
	Non deductible expenses	1,906	1,186
	Depreciation	31,766	21,409
	Capital allowances	(13,468)	(13,552)
	Foreign tax adjustments	(66,855)	(54,313)
	Adjustments to previous periods	-	(53,823)
	Other tax adjustments	(3,020)	(2,125)
		<u>(49,671)</u>	<u>(101,218)</u>
	Current tax charge	<u>327,648</u>	<u>262,711</u>
6	Profit for the financial year		
	As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The profit for the financial year is made up as follows:		
		2003 £	2002 £
	Holding company's profit for the financial year	<u>552,454</u>	<u>644,695</u>

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

7 Tangible fixed assets

Group

	Long leasehold property	Long leasehold property improvements	Plant and machinery	Office equipment	Motor vehicle	Total
	£	£	£	£	£	£
Cost						
At 1 January 2003	268,082	125,746	238,820	302,970	30,905	966,523
Exchange differences	-	-	-	(2,572)	(3,142)	(5,714)
Additions	-	982	-	66,804	-	67,786
Disposals	-	-	(59,113)	-	-	(59,113)
At 31 December 2003	268,082	126,728	179,707	367,202	27,763	969,482
Depreciation						
At 1 January 2003	55,152	84,282	185,982	187,490	1,854	514,760
Exchange differences	-	-	-	(227)	(188)	(415)
On disposals	-	-	(48,502)	-	-	(48,502)
Charge for the year	10,723	11,159	42,227	46,569	4,997	115,675
At 31 December 2003	65,875	95,441	179,707	233,832	6,663	581,518
Net book value						
At 31 December 2003	202,207	31,287	-	133,370	21,100	387,964
At 31 December 2002	212,930	41,464	52,838	115,480	29,051	451,763

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

7 Tangible fixed assets (continued)

Company

	Long leasehold property	Long leasehold property improvements	Plant and machinery	Office equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2003	268,082	125,746	238,820	277,436	910,084
Additions	-	982	-	55,327	56,309
Disposals	-	-	(59,113)	-	(59,113)
At 31 December 2003	268,082	126,728	179,707	332,763	907,280
Depreciation					
At 1 January 2003	55,152	84,282	185,982	185,203	510,619
On disposals	-	-	(48,502)	-	(48,502)
Charge for the year	10,723	11,159	42,227	41,781	105,890
At 31 December 2003	65,875	95,441	179,707	226,984	568,007
Net book value					
At 31 December 2003	202,207	31,287	-	105,779	339,273
At 31 December 2002	212,930	41,464	52,838	92,233	399,465

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

8 Fixed asset investments

Group

	Unlisted investments £	Total £
Cost		
At 1 January 2003 & at 31 December 2003	17,536	17,536

Company

	Unlisted investments £	Shares in group undertakings £	Total £
Cost			
At 1 January 2003 & at 31 December 2003	17,536	132,626	150,162

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held Class	%
Subsidiary undertakings			
Randa Shanghai Limited	Peoples Rep of China	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
Randa Shanghai Limited	International trade consultants

9 Stocks and work in progress

	Group 2003 £	Group 2002 £	Company 2003 £	Company 2002 £
Raw materials and consumables	64,262	115,223	64,262	115,223
Work in progress	-	22,943	-	22,943
Finished goods and goods for resale	513,562	534,261	513,562	534,261
	<u>577,824</u>	<u>672,427</u>	<u>577,824</u>	<u>672,427</u>

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003

10 Debtors

	Group 2003 £	Group 2002 £	Company 2003 £	Company 2002 £
Trade debtors	1,731,481	1,163,575	1,492,389	967,938
Other debtors	448,907	79,063	405,106	67,036
Prepayments and accrued income	98,181	69,527	98,181	69,527
	<u>2,278,569</u>	<u>1,312,165</u>	<u>1,995,676</u>	<u>1,104,501</u>

11 Creditors : amounts falling due within one year

	Group 2003 £	Group 2002 £	Company 2003 £	Company 2002 £
Bank loans and overdrafts	27,707	17,496	27,707	17,496
Trade creditors	949,906	550,470	107,923	120,909
Amounts owed to group undertakings	397,753	95,341	688,990	199,375
Corporation tax	149,354	156,873	140,793	149,114
Taxes and social security costs	144,013	98,456	144,013	95,019
Other creditors	4,718	7,289	4,718	7,289
Accruals and deferred income	599,045	530,938	599,045	530,938
Proposed dividend	4,492	-	-	-
	<u>2,276,988</u>	<u>1,456,863</u>	<u>1,713,189</u>	<u>1,120,140</u>

12 Creditors : amounts falling due after more than one year

	Group 2003 £	Group 2002 £	Company 2003 £	Company 2002 £
Bank loans	<u>57,105</u>	<u>78,644</u>	<u>57,105</u>	<u>78,644</u>

Loan maturity analysis

In more than one year but not more than two years	17,496	17,496	17,496	17,496
In more than two years but not more than five years	39,609	52,488	39,609	52,488
In more than five years	<u>-</u>	<u>8,660</u>	<u>-</u>	<u>8,660</u>

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

13 Accruals and deferred income

Group	Government grants £
Balance at 1 January 2003	62,354
Amortisation in the year	(5,898)
Balance at 31 December 2003	<u>56,456</u>
Company	
Balance at 1 January 2003	62,354
Amortisation in the year	(5,898)
Balance at 31 December 2003	<u>56,456</u>

14 Pension costs

Defined contribution

	2003 £	2002 £
Contributions payable by the company for the year	<u>79,270</u>	<u>51,621</u>

15 Share capital

	2003 £	2002 £
Authorised		
2,000,000 Ordinary shares of £1 each	<u>2,000,000</u>	<u>2,000,000</u>
Allotted, called up and fully paid		
200,000 Ordinary shares of £1 each	<u>200,000</u>	<u>200,000</u>

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

16 Statement of movements on reserves

Group

	Other reserves £	Profit and loss account £
Balance at 1 January 2003	48,468	4,510,310
Retained profit for the year	-	930,081
Foreign currency translation differences	-	(69,536)
Transfer between profit and loss account reserve and other reserves	14,072	(14,072)
Balance at 31 December 2003	<u>62,540</u>	<u>5,356,783</u>

Company

	Profit and loss account £
Balance at 1 January 2003	4,099,495
Retained profit for the year	552,454
Balance at 31 December 2003	<u>4,651,949</u>

17 Reconciliation of movements in shareholders' funds

Group

	2003 £	2002 £
Profit for the financial year	930,081	950,385
Other recognised gains and losses	(69,536)	(30,545)
Net addition to shareholders' funds	860,545	919,840
Opening shareholders' funds	4,758,778	3,838,938
Closing shareholders' funds	<u>5,619,323</u>	<u>4,758,778</u>

Company

	2003 £	2002 £
Profit for the financial year	552,454	644,695
Opening shareholders' funds	4,299,495	3,654,800
Closing shareholders' funds	<u>4,851,949</u>	<u>4,299,495</u>

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

18 Financial commitments

At 31 December 2003 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2003	2002	2003	2002
	£	£	£	£
Expiry date:				
Within one year	-	1,786	-	622
Between two and five years	-	20,000	9,070	-
	<u>-</u>	<u>21,786</u>	<u>9,070</u>	<u>622</u>

19 Directors' emoluments

	2003	2002
	£	£
Emoluments for qualifying services	<u>192,489</u>	<u>163,967</u>

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2003	2002
	Number	Number
Manufacturing	34	43
Sales	17	14
Administration	11	8
	<u>62</u>	<u>65</u>

Employment costs

	£	£
Wages and salaries	999,537	792,534
Social security costs	74,977	65,545
Other pension costs	79,270	51,621
	<u>1,153,784</u>	<u>909,700</u>

21 Control

The ultimate holding company is Randa Corp, which is incorporated in the United States of America under the laws of the State of New Jersey. Randa Corp is wholly owned by H. Spiegel.

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2003

22 Related party transactions

a) Included within purchases is an amount of £992,101 (2002 - £1,664,343) charged by Randa International S. P. A., a fellow group company. As at the balance sheet an amount of £397,753 (2002 - £95,341) was outstanding.

b) The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated accounts are prepared by the company.