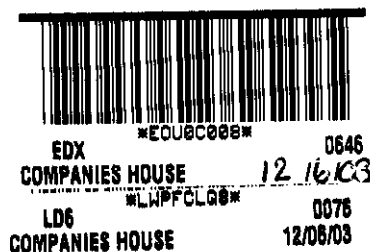




WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2002



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) (Appointed 1 April 2003) 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 2002

The directors present their report and financial statements for the year ended 31 December 2002.

Directors

The following directors have held office since 1 January 2002:

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 2002	1 January 2002
J. Spiegel (USA)	-	-
B. Kovaly (USA)	-	-
P. Rosengard (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 2002

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

14 May 2003

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 20 for the year ended 31 December 2002. 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 2002 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

14 May 2003

Chartered Accountants
Registered Auditor

25 Harley Street
London
W1G 9BR

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2002

	Notes	2002 £	2001 £
Turnover	2	7,476,351	7,026,167
Cost of sales		(4,594,156)	(4,751,305)
Gross profit		2,882,195	2,274,862
Distribution costs		(1,264,440)	(1,008,738)
Administrative expenses		(519,948)	(572,093)
Other operating income		26,945	24
Operating profit	3	1,124,752	694,055
Other interest receivable and similar income		94,867	112,758
Interest payable and similar charges	4	(6,523)	(8,912)
Profit on ordinary activities before taxation	3	1,213,096	797,901
Tax on profit on ordinary activities	5	(262,711)	(268,741)
Profit on ordinary activities after taxation	16	950,385	529,160

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 2002

	2002 £	2001 £
Profit for the financial year	950,385	529,160
Currency translation differences on foreign currency net investments	(30,545)	3,990
Total recognised gains and losses relating to the year	<u>919,840</u>	<u>533,150</u>

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

BALANCE SHEETS AS AT 31 DECEMBER 2002

		Group		Company	
	Notes	2002 £	2001 £	2002 £	2001 £
Fixed assets					
Tangible assets	7	451,763	414,082	399,465	411,535
Investments	8	17,536	17,536	150,162	150,162
		<u>469,299</u>	<u>431,618</u>	<u>549,627</u>	<u>561,697</u>
Current assets					
Stocks	9	672,427	732,442	672,427	732,442
Debtors	10	1,312,165	1,270,507	1,104,501	1,196,677
Cash at bank and in hand		3,902,748	3,180,682	3,234,078	2,816,766
		<u>5,887,340</u>	<u>5,183,631</u>	<u>5,011,006</u>	<u>4,745,885</u>
Creditors: amounts falling due within one year	11	(1,456,863)	(1,608,189)	(1,120,140)	(1,484,660)
Net current assets		<u>4,430,477</u>	<u>3,575,442</u>	<u>3,890,866</u>	<u>3,261,225</u>
Total assets less current liabilities		<u>4,899,776</u>	<u>4,007,060</u>	<u>4,440,493</u>	<u>3,822,922</u>
Creditors: amounts falling due after more than one year	12	(78,644)	(98,688)	(78,644)	(98,688)
Accruals and deferred income	13	(62,354)	(69,434)	(62,354)	(69,434)
		<u>4,758,778</u>	<u>3,838,938</u>	<u>4,299,495</u>	<u>3,654,800</u>
Capital and reserves					
Called up share capital	15	200,000	200,000	200,000	200,000
Other reserves	16	48,468	18,197	-	-
Profit and loss account	16	4,510,310	3,620,741	4,099,495	3,454,800
Shareholders' funds - equity interests	17	<u>4,758,778</u>	<u>3,838,938</u>	<u>4,299,495</u>	<u>3,654,800</u>

The financial statements were approved by the board on 14 May 2003



J. Spiegel (USA)
Director

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

	2002		2001	
	£	£	£	£
Net cash inflow from operating activities		1,227,066		637,478
Returns on investments and servicing of finance				
Interest received	94,867		112,758	
Interest paid	(6,523)		(8,912)	
Net cash inflow for returns on investments and servicing of finance		88,344		103,846
Taxation		(248,535)		(205,325)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(112,541)		(39,748)	
Payments to acquire investments	-		(17,536)	
Receipts from sales of tangible assets	-		1,500	
Receipts from sales of investments	-		31,551	
Net cash outflow for capital expenditure		(112,541)		(24,233)
Net cash inflow before management of liquid resources and financing		954,334		511,766
Financing				
Repayment of long term bank loan	(20,044)		(19,587)	
Net cash outflow from financing		(20,044)		(19,587)
Increase in cash in the year		934,290		492,179

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2002

1	Reconciliation of operating profit to net cash inflow from operating activities	2002	2001
		£	£
	Operating profit	1,124,752	694,055
	Depreciation of tangible assets	74,861	73,294
	Profit on disposal of tangible assets	-	(78)
	Decrease/(increase) in stocks	60,015	(195,456)
	Increase in debtors	(41,658)	(5,569)
	Increase in creditors within one year	46,721	75,900
	Net effect of foreign exchange differences	(30,545)	3,990
	Movement on grant provision	(7,080)	(8,658)
	Net cash inflow from operating activities	1,227,066	637,478

2	Analysis of net funds	1 January 2002	Cash flow	Other non-cash changes	31 December 2002
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	3,180,682	722,066	-	3,902,748
	Bank overdrafts	(212,224)	212,224	-	-
		<u>2,968,458</u>	<u>934,290</u>	<u>-</u>	<u>3,902,748</u>
	Debts falling due within one year	(17,496)	-	-	(17,496)
	Debts falling due after one year	(98,688)	20,044	-	(78,644)
		<u>(116,184)</u>	<u>20,044</u>	<u>-</u>	<u>(96,140)</u>
	Net funds	2,852,274	954,334	-	3,806,608

3	Reconciliation of net cash flow to movement in net debt	2002	2001
		£	£
	Increase in cash in the year	934,290	492,179
	Cash outflow from decrease in debt	20,044	19,587
	Movement in net funds in the year	954,334	511,766
	Opening net funds	2,852,274	2,340,508
	Closing net funds	3,806,608	2,852,274

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2002

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 2002. 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 and work in progress are 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 SSAP 24.

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

1 Accounting policies

(continued)

1.11 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. 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. The deferred tax balance has not been discounted.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

The adoption of the standard has not required a prior period adjustment. If the new policy had been in place in the previous period no liability would have been recognised as the conditions for recognition would not have been satisfied on the grounds of materiality.

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 wholly undertaken in the United Kingdom.

3	Operating profit	2002 £	2001 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	74,861	73,294
	Loss on foreign exchange transactions	-	15,153
	Operating lease rentals		
	- Plant and machinery	1,213	1,120
	Auditors' remuneration	19,750	21,500
	and after crediting:		
	Profit on disposal of tangible assets	-	(78)
	Profit on foreign exchange transactions	(62,288)	-
		<hr/>	<hr/>
4	Interest payable	2002 £	2001 £
	On bank loans and overdrafts	6,523	8,912
		<hr/>	<hr/>

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

5 Taxation

	£	£
Domestic current year tax		
U.K. corporation tax	263,114	236,399
Adjustment for prior years	(53,823)	217
	<u>209,291</u>	<u>236,616</u>
Foreign corporation tax		
Foreign corporation tax	53,420	32,125
	<u>262,711</u>	<u>268,741</u>
Current tax charge	<u>262,711</u>	<u>268,741</u>
	<u>262,711</u>	<u>268,741</u>
 Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	1,213,096	797,901
	<u>1,213,096</u>	<u>797,901</u>
 Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2001 : 30.00%)	363,929	239,370
	<u>363,929</u>	<u>239,370</u>
Effects of:		
Non deductible expenses	1,186	1,594
Depreciation	21,409	21,823
Capital allowances	(13,552)	(12,818)
Foreign tax adjustments	(54,313)	(32,647)
Adjustments to previous periods	(53,823)	217
Chargeable disposals	-	(23)
Other tax adjustments	(2,125)	51,225
	<u>(101,218)</u>	<u>29,371</u>
Current tax charge	<u>262,711</u>	<u>268,741</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:

	2002 £	2001 £
Holding company's profit for the financial year	<u>644,695</u>	<u>345,376</u>

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

7 Tangible fixed assets Group

	Long leasehold property £	Long leasehold property improvements £	Plant and machinery £	Office equipment £	Motor vehicle £	Total £
Cost						
At 1 January 2002	268,082	113,892	238,820	233,187	-	853,981
Additions	-	11,854	-	69,783	30,905	112,542
At 31 December 2002	268,082	125,746	238,820	302,970	30,905	966,523
Depreciation						
At 1 January 2002	44,429	72,832	168,369	154,269	-	439,899
Charge for the year	10,723	11,450	17,613	33,221	1,854	74,861
At 31 December 2002	55,152	84,282	185,982	187,490	1,854	514,760
Net book value						
At 31 December 2002	212,930	41,464	52,838	115,480	29,051	451,763
At 31 December 2001	223,653	41,061	70,450	78,918	-	414,082

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

7 Tangible fixed assets (continued) Company

	Long leasehold property	Long leasehold property improvements	Plant and machinery	Office equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2002	268,082	113,892	238,820	229,997	850,791
Additions	-	11,854	-	47,439	59,293
At 31 December 2002	268,082	125,746	238,820	277,436	910,084
Depreciation					
At 1 January 2002	44,429	72,832	168,369	153,626	439,256
Charge for the year	10,723	11,450	17,613	31,577	71,363
At 31 December 2002	55,152	84,282	185,982	185,203	510,619
Net book value					
At 31 December 2002	212,930	41,464	52,838	92,233	399,465
At 31 December 2001	223,653	41,061	70,450	76,371	411,535

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

8 Fixed asset investments Group

	Unlisted investments £	Total £
Cost		
At 1 January 2002 & at 31 December 2002	17,536	17,536
At 31 December 2001	17,536	17,536

8 Fixed asset investments Company

	Unlisted investments £	Shares in subsidiary undertakings £	Total £
Cost			
At 1 January 2002 & at 31 December 2002	17,536	132,626	150,162
At 31 December 2001	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
------------------------	---------------------------------

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

9 Stocks and work in progress

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Raw materials and consumables	115,223	161,565	115,223	161,565
Work in progress	22,943	21,439	22,943	21,439
Finished goods and goods for resale	534,261	549,438	534,261	549,438
	<u>672,427</u>	<u>732,442</u>	<u>672,427</u>	<u>732,442</u>

10 Debtors

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Trade debtors	1,163,575	1,091,193	967,938	1,022,229
Other debtors	79,063	136,010	67,036	131,144
Prepayments and accrued income	69,527	43,304	69,527	43,304
	<u>1,312,165</u>	<u>1,270,507</u>	<u>1,104,501</u>	<u>1,196,677</u>

Amounts falling due after more than one year and included in the debtors above are:

	2002	2001	2002	2001
	£	£	£	£
Other debtors	-	65,216	-	65,216
	<u>-</u>	<u>65,216</u>	<u>-</u>	<u>65,216</u>

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

11 Creditors : amounts falling due within one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans and overdrafts	17,496	229,720	17,496	229,720
Trade creditors	550,470	313,741	120,909	94,474
Amounts owed to group undertakings	95,341	237,250	199,375	336,646
Corporation tax	156,873	142,696	149,114	141,799
Taxes and social security costs	98,456	121,281	95,019	118,520
Other creditors	7,289	437	7,289	437
Accruals and deferred income	530,938	563,064	530,938	563,064
	<u>1,456,863</u>	<u>1,608,189</u>	<u>1,120,140</u>	<u>1,484,660</u>

12 Creditors : amounts falling due after more than one year

	Group		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank loans	<u>78,644</u>	<u>98,688</u>	<u>78,644</u>	<u>98,688</u>
Analysis of loans				
Wholly repayable within five years	96,140	116,184	96,140	116,184
Included in current liabilities	(17,496)	(17,496)	(17,496)	(17,496)
	<u>78,644</u>	<u>98,688</u>	<u>78,644</u>	<u>98,688</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	52,488	52,488	52,488	52,488
In more than five years	<u>8,660</u>	<u>28,704</u>	<u>8,660</u>	<u>28,704</u>

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

13 Accruals and deferred income

Group	Government grants £
Balance at 1 January 2002	69,434
Amortisation in the year	(7,080)
Balance at 31 December 2002	<u>62,354</u>
Company	
Balance at 1 January 2002	69,434
Amortisation in the year	(7,080)
Balance at 31 December 2002	<u>62,354</u>

14 Pension costs

Defined contribution

	2002 £	2001 £
Contributions payable by the company for the year	<u>51,621</u>	<u>40,384</u>

15 Share capital

	2002 £	2001 £
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 2002

16 Statement of movements on reserves Group

	Other reserves £	Profit and loss account £
Balance at 1 January 2002	18,197	3,620,741
Retained profit for the year	-	950,385
Currency translation differences on foreign currency net investments	-	(30,545)
Transfer between profit and loss account reserve and other reserve	30,271	(30,271)
Balance at 31 December 2002	48,468	4,510,310

Company

	Profit and loss account £
Balance at 1 January 2002	3,454,800
Retained profit for the year	644,695
Balance at 31 December 2002	4,099,495

17 Reconciliation of movements in shareholders' funds Group

	2002 £	2001 £
Profit for the financial year	950,385	529,160
Other recognised gains and losses	(30,545)	3,990
Net addition to shareholders' funds	919,840	533,150
Opening shareholders' funds	3,838,938	3,305,788
Closing shareholders' funds	4,758,778	3,838,938

	2002 £	2001 £
Profit for the financial year	644,695	345,376
Opening shareholders' funds	3,654,800	3,309,424
Closing shareholders' funds	4,299,495	3,654,800

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

18 Financial commitments

At 31 December 2002 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2002	2001	2002	2001
	£	£	£	£
Expiry date:				
Within one year	1,786	1,978	622	-
Between two and five years	20,000	-	-	13,851
In over five years	-	20,000	-	-
	<u>21,786</u>	<u>21,978</u>	<u>622</u>	<u>13,851</u>

At 31 December 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2002	2001	2002	2001
	£	£	£	£
Expiry date:				
Within one year	-	-	622	-
Between two and five years	20,000	-	-	13,851
In over five years	-	20,000	-	-
	<u>20,000</u>	<u>20,000</u>	<u>622</u>	<u>13,851</u>

19 Directors' emoluments

	2002	2001
	£	£
Emoluments for qualifying services	<u>163,967</u>	<u>160,896</u>

WOODSTOCK NECKWEAR LIMITED AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2002

20 Employees

Number of employees

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

	2002 Number	2001 Number
Manufacturing	43	54
Sales	14	19
Administration	8	8
	<u>65</u>	<u>81</u>

Employment costs

	£	£
Wages and salaries	792,534	833,273
Social security costs	65,545	63,340
Other pension costs	51,621	40,384
	<u>909,700</u>	<u>936,997</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.

22 Related party transactions

Group

a) Included within purchases is an amount of £1,664,343 (2001 - £1,393,596) charged by Randa International S. P. A., a fellow group company. As at the balance sheet an amount of £95,341 (2001 - £237,250) 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.