

Company No: 3591044

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
IMPEX FASHION ACCESSORIES LIMITED

We have examined the abbreviated accounts set out on the attached pages, together with the full accounts of the company for the year ended 31st December 2004 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

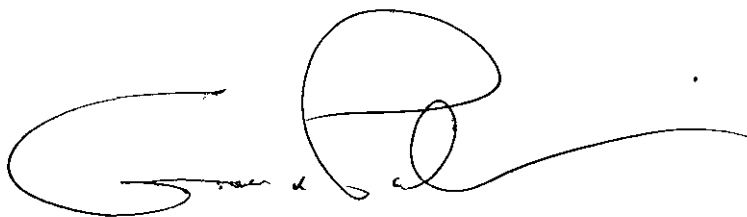
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and 6) of the Act and to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the full accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full accounts.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on the attached pages are properly prepared with those provisions.

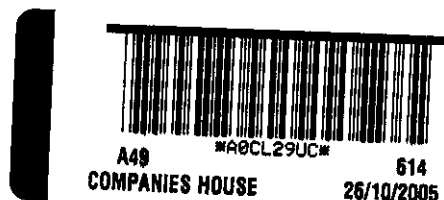


43 QUEEN ANNE STREET
LONDON
W1G 9JE

CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

25/10/

2005



IMPEX FASHION ACCESSORIES LIMITED
ABBREVIATED
BALANCE SHEET AS AT 31ST DECEMBER 2004

	<u>Note</u>	<u>2004</u>	<u>2003</u>
		<u>£</u>	<u>£</u>
FIXED ASSETS			
Tangible Assets	2	19,040	24,093
Investments	3	3	3
CURRENT ASSETS			
Stocks		82,076	110,074
Debtors		298,629	369,538
Investments		500	500
Cash at Bank and In Hand		<u>7,680</u>	<u>5,597</u>
		388,885	485,709
CREDITORS: Amounts Falling Due Within One Year:	4	<u>234,572</u>	<u>226,256</u>
NET CURRENT ASSETS		<u>154,313</u>	<u>259,453</u>
Total assets less current liabilities		173,356	283,549
CREDITORS: Amounts Falling Due After More Than One Year:		(45,684)	(144,872)
Provisions for liabilities and charges		<u>-</u>	<u>-</u>
		<u>127,672</u>	<u>138,677</u>
CAPITAL AND RESERVES			
Called Up Share Capital	5	102	102
Profit and Loss Account		<u>127,570</u>	<u>138,575</u>
		<u>127,672</u>	<u>138,677</u>

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

**SIGNED ON BEHALF OF
THE BOARD OF DIRECTORS**


(Mr. S.I. Klein - Director)

Approved by the Board: 24/10/ 2005

IMPEX FASHION ACCESSORIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED
31ST DECEMBER 2004

1. **ACCOUNTING POLICIES**

BASIS OF ACCOUNTING

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

TURNOVER

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

TANGIBLE FIXED ASSETS

Tangible fixed assets 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:-

Plant and Machinery	25% reducing balance
Fixtures, Furniture and Equipment	20% reducing balance
Motor Vehicles	25% reducing balance

FOREIGN CURRENCY

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.

2. **TANGIBLE FIXED ASSETS**

	<u>Total</u> <u>£</u>
Cost	
At 1st January 2004	48,267
Additions	-
Disposals	-
	<hr/>
At 31st December 2004	48,267
Depreciation	
At 1st January 2004	24,173
Charge for the year	5,054
Disposals	-
	<hr/>
At 31st December 2004	29,227
Net Book Value	
At 31st December 2004	<u>19,040</u>
At 31st December 2003	<u>24,094</u>

IMPEX FASHION ACCESSORIES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED

31ST DECEMBER 2004*Continued*)

3. **INVESTMENTS**

On 23rd December 2003, the company subscribed for one ordinary share of £1 in Shandel Fashion Accessories Limited, a company registered in England, resulting in the latter becoming a wholly owned subsidiary.

4. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>2004</u> <u>£</u>	<u>2003</u> <u>£</u>
Creditors include the following:-		
Bank Overdraft (secured)	<u>112,070</u>	<u>74,177</u>

5. **SHARE CAPITAL**

AUTHORISED		
100,000 Ordinary Shares of £1 each	<u>100,000</u>	<u>100,000</u>
ALLOTTED CALLED UP AND FULLY PAID		
100 Ordinary Shares of £1 each	<u>102</u>	<u>100</u>

On 31st January 2003 the company issued 2 Ordinary Shares of £1 each in exchange for the 2 Ordinary Shares of £1 each in Shandel Limited, whereupon the latter company became a wholly owned subsidiary on that date.