

J. R. CLOTHES LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31 DECEMBER 1996

Company Registration No: 2191210



DIRECTORS' REPORT

The Directors submit their report and accounts for the year ended 31 December 1996.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The company has not traded during the year and is and will remain a holding company.

DIVIDEND

An interim dividend of £2,742,289 was paid during the year and this amount has been deducted from reserves.

DIRECTORS AND THEIR INTERESTS

The directors who have served during the period were:

Name		<u>Shares in William Baird PLC</u>			<u>Options</u>
		<u>Beginning</u>	<u>Options</u>	<u>End</u>	
T D Parr	Resigned 22/04/96	A Director of William Baird PLC*			
J D Jackson		A Director of William Baird PLC*			
P Lucas		A Director of William Baird PLC*			
R J Smith		4067	14163	1567	14163
G Smith	Appointed 27/01/97	-	-	-	-

Options have been granted under the Executive Share Option Scheme and the Savings Related Share Option Schemes to purchase ordinary shares at prices of 158p to 257p between 1997 and 2006.

* Details are included in William Baird PLC's report and account.
+ or at date of appointment

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;
- state whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the accounts; 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 reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

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

Registered Office:
Granary Building
1 Canal Wharf
Holbeck
LEEDS LS11 5BB

BY ORDER OF THE BOARD


SECRETARY
21 April 1997

REPORT OF THE AUDITORS TO THE MEMBERS OF
J.R. CLOTHES LIMITED

We have audited the accounts on pages 3 to 5 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.

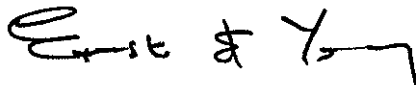
Basis of opinion

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 1996 and have been properly prepared in accordance with the Companies Act 1985.



ERNST & YOUNG
CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
LONDON

Date: 20 AUGUST 1997

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1996


	<u>Notes</u>	<u>1996</u>	<u>1995</u>
Interim dividend paid		2,742,289	-
Amount deducted from reserves		<u>£2,742,289</u>	<u>£ -</u>

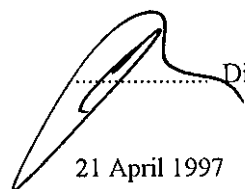
Statement of Recognised Gains and Losses

There are no recognised gains or losses in the years ended 31 December 1996 and 1995.

BALANCE SHEET AT 31 DECEMBER 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
<u>Investment in Subsidiary Undertakings</u>	2	660	660
<u>Current Assets</u>			
Debtors - Amount owed by group undertakings		124,340	2,866,629
<u>Total Assets</u>		<u>£125,000</u>	<u>£2,867,289</u>
<u>Capital and Reserves</u>			
Called up share capital	3	125,000	125,000
Profit and loss account	4	-	2,742,289
		<u>£125,000</u>	<u>£2,867,289</u>

.....


..... Directors

 21 April 1997

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1996

1. Accounting Policies

The accounts have been prepared in accordance with applicable accounting standards, the Companies Act 1985 and under the historical cost convention.

2. Investment in Subsidiary Undertakings

The investment represents the cost of a 100% shareholding in a subsidiary undertaking Alexandre London Inc. (formerly Alexandre of England Inc.) a company incorporated in the United States of America.

In the opinion of the directors the shares have a value of £123,000 (1995 Nil).

Consolidated accounts are not prepared as this company is a wholly owned subsidiary of William Baird PLC.

3. Share Capital

	<u>Authorised</u>		<u>Allotted, called up & fully paid</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
Ordinary Shares of £1 each	<u>£125,000</u>	<u>£125,000</u>	<u>£125,000</u>	<u>£125,000</u>

4. Profit and Loss Account

At 1 January 1996	2,742,289
Dividends	(2,742,289)
At 31 December 1996	<u>£ -</u>

5. Reconciliation of Movements in Shareholders' Funds

	<u>1996</u>	<u>1995</u>
Dividends	(2,742,289)	-
Opening shareholders' funds	2,867,289	2,867,289
Closing shareholders' funds	<u>£125,000</u>	<u>£2,867,289</u>

6. Ultimate Parent Undertaking and Controlling Party

The company's ultimate parent undertaking and controlling party is William Baird PLC and the company's results are included in group accounts prepared for that company.

William Baird PLC is incorporated in Great Britain and registered in Scotland. Copies of the accounts of the company can be obtained from 79 Mount Street, London W1Y 5HJ.