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REGISTERED IN ENGLAND NO. 1344385

KANE & RAYMOND LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

19TH JANUARY 1996

PHIPP & CO.
CHARTERED ACCOUNTANTS
6, Nottingham Road,
Long Eaton,
Nottingham.
NG10 1HP.



KANE & RAYMOND LIMITED

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KANE & RAYMOND LIMITEDRegistered in England No. 1344385COMPANY PARTICULARSDIRECTORS

P.J. de C. Hill

SECRETARY

G.T.M. Burton

REGISTERED OFFICE6 Nottingham Road,
Long Eaton,
Nottingham
NG10 1HPBANKERSRoyal Bank of Scotland plc,
8 South Parade,
Nottingham
NG1 2JSAUDITORSPhipp & Co.
Chartered Accountants
6, Nottingham Road,
Long Eaton,
Nottingham.
NG10 1HP.

KANE & RAYMOND LIMITEDDIRECTORS' REPORT

The Directors present their report to the members, together with the annual accounts for the Year ended 19th January 1996.

PRINCIPAL ACTIVITY

The principal activity of the company, which is unchanged since last year, is the retail of men's underwear.

DIRECTORS

The directors of the company and their interests in shares of the company are set out below.

	Ordinary shares of £1 each	
	<u>19th January 1996</u>	<u>19th January 1995</u>
P.J. de C. Hill	-	-

Mr J.A. de C. Hill died on 6th February 1995 and Mr P.J. de C. Hill was appointed a director on that date.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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 profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- * select suitable accounting policies and apply them consistently;
- * make judgements and estimates that are reasonable and prudent;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

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 financial statements 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.

DONATIONS

There were no charitable or political donations made during the year.

AUDITORS

A resolution to re-appoint the auditors will be proposed at the Annual General Meeting.

The Directors have taken advantage, in the preparation of their report, of the exemptions applicable to small companies.

Approved by the board of directors on 14th April 1996,
and signed on their behalf by:

G.T.M. Burton

G.T.M. Burton
Secretary

AUDITORS' REPORT TO THE MEMBERS OF

KANE & RAYMOND LIMITED

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 accounts 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 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 financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluate 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 affairs at 19th January 1996, and of the profit for the Year then ended and have been properly prepared in accordance with the Companies Act 1985 as applicable to small sized companies.



 PHIPP & Co.
 CHARTERED ACCOUNTANTS
 and Registered Auditors

Date... 24 April 1996
 6, Nottingham Road,
 Long Eaton,
 Nottingham. NG10 1HP.

KANE & RAYMOND LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 19TH JANUARY 1996

	<u>Notes</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
TURNOVER	2	5,453	4,350
Cost of Sales		2,389	2,013
GROSS PROFIT		3,064	2,337
Administrative Expenses		2,397	2,038
PROFIT ON ORDINARY ACTIVITIES			
BEFORE TAXATION	3	667	299
Tax on Profit on Ordinary Activities	4	170	-
PROFIT ON ORDINARY ACTIVITIES			
AFTER TAXATION		497	299
Dividends	5	2,300	-
RETAINED (LOSS)/PROFIT FOR THE YEAR		£ (1,803)	£ 299
STATEMENT OF RETAINED PROFIT			
Retained Profit Brought Forward		508	209
Retained (Loss)/Profit for the Year		(1,803)	299
RETAINED (LOSS)/PROFIT CARRIED FORWARD		£ (1,295)	£ 508

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the above two financial years.

KANE & RAYMOND LIMITEDBALANCE SHEET
AT 19TH JANUARY 1996

	<u>Notes</u>	<u>1996</u> <u>£</u>	<u>1995</u> <u>£</u>
CURRENT ASSETS			
Stock	6	1,115	1,238
Bank & Cash Balances		477	1,440
		<u>1,592</u>	<u>2,678</u>
Creditors - amounts falling due within one year			
Trade creditors		404	55
Sundry creditors	7	2,382	2,015
		<u>2,786</u>	<u>2,070</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(1,194)</u>	<u>608</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ (1,194)</u>	<u>£ 608</u>
Called up Share Capital	8	100	100
Reserves	9	(1,294)	508
Profit and Loss Account		<u>£ (1,194)</u>	<u>£ 608</u>

The Directors have taken advantage, in the preparation of the accounts, of special exemptions applicable to small companies under Schedule 8 Part I of the Companies Act 1985. In the opinion of the directors the company qualifies as a small company and is entitled to make use of the special exemptions.

Approved by the board of directors on *24 April 1996* and signed on their behalf by:

P.J. de C Hill (P.J. de C. Hill - Director)

KANE & RAYMOND LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 19TH JANUARY 19961. ACCOUNTING POLICIESa. Convention

These financial statements have been prepared under the historical cost convention.

b. Turnover

Turnover represents sales at invoiced amounts.

c. Deferred Taxation

Provision is made for taxation liabilities arising from the allocation of items to different periods for taxation and for accounting purposes, to the extent that it is probable that a liability will crystallise.

d. Stock and Work in Progress

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

e. Cash Flow Statement

The Company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

2. TURNOVER

The turnover and profit before taxation is attributable to the principal activity of the Company.

3. PROFIT ON ORDINARY ACTIVITIES

	<u>1996</u> £	<u>1995</u> £
Profit on Ordinary Activities before taxation is arrived at after charging:		
Auditors' Remuneration	200	176
	<u> </u>	<u> </u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1996</u> £	<u>1995</u> £
Taxation is based on the Profit for the Year and Comprises:		
Corporation Taxation	170	-
	<u> </u>	<u> </u>

5. DIVIDENDS

	<u>1996</u> £	<u>1995</u> £
Final Dividend	2,300	-
	<u> </u>	<u> </u>

6. STOCKS

	<u>1996</u> £	<u>1995</u> £
General Stock	1,115	1,238
	<u> </u>	<u> </u>

KANE & RAYMOND LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 19TH JANUARY 1996

7. SUNDRY CREDITORS - amounts falling due
within one year

	<u>1996</u>	<u>1995</u>
	£	£
Amounts Owed to Holding Company - Note 9	1,949	1,613
Corporation Tax	170	-
Accruals and Deferred Income	263	402
	<u>2,382</u>	<u>2,015</u>

8. SHARE CAPITAL

	<u>1996</u>	<u>1995</u>
	£	£
Authorised		
Ordinary Shares of £1 Each	100	100
Allotted		
Ordinary Shares of £1 Each	100	100

9. RESERVES

	Profit and Loss Account £
Balance at 20th January 1995	508
Retained Loss for the Year	(1,803)
Balance at 19th January 1996	<u>(1,295)</u>

10. HOLDING COMPANY

The company is a wholly-owned subsidiary of Sunspel-Boxer Limited, a company incorporated in England.