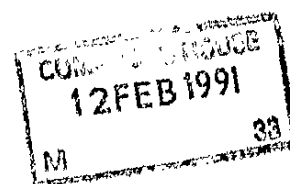


1500000

S & M HOSIERY CO LIMITED
MODIFIED ACCOUNTS FOR THE YEAR ENDED
28 FEBRUARY 1990

LOPIAN GROSS BARNETT & CO
ACCOUNTANTS

HARVESTER HOUSE
37 PETER STREET
MANCHESTER
M2 5QD



MODIFIED BALANCE SHEET AS AT 28 FEBRUARY 1990

	NOTES	1990 £	1989 £
FIXED ASSETS			
Tangible assets		170,810	152,886
CURRENT ASSETS			
Stocks		95,022	83,832
Debtors		21,138	37,473
Cash at bank and in hand		127,251	153,223
		-----	-----
		243,411	279,528
		*****	*****
CREDITORS: Amounts falling due within one year -			
Creditors		128,819	149,830
		-----	-----
NET CURRENT ASSETS		114,592	129,698
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		285,402	282,584
CREDITORS - Amounts falling due after more than one year			
		555	7,222
		-----	-----
		284,847	275,362
		-----	-----
CAPITAL AND RESERVES			
Called-up share capital	2	50,000	50,000
Revenue reserve		197,830	188,345
Capital reserve		37,017	37,017
		-----	-----
		284,847	275,362
		-----	-----

The directors have relied on the exemptions for individual accounts contained in Section 247 of, and Schedule 8 to, the Companies Act 1985 on the grounds that the company is entitled to the benefit of these exemptions as a small company.

..... *Margaret Kinn*)
 *Michael J. Jones*) DIRECTORS
 *Michael J. Jones*)

The note referred to above forms part of these accounts.

NOTES TO THE MODIFIED ACCOUNTS

1 STATEMENT OF ACCOUNTING POLICIES

The following principal accounting policies have been applied consistently in respect of items which are considered material in relation to the company's accounts:-

Accounting Convention

The accounts are prepared under the historical cost convention.

Turnover

Turnover represents amounts receivable (excluding Value Added Tax) in respect of goods supplied during the year.

Depreciation

Depreciation is provided so as to write off the cost of fixed assets over their anticipated useful lives as follows:-

Long leasehold properties	1% straight line
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value.

Repairs

Expenditure is written off in the year in which it is incurred.

Deferred Taxation

Provision is made at the current rates of taxation for liabilities arising from the allocation of items to different periods for taxation and for accounting purposes, except where these are expected to be deferred for the foreseeable future.

Tax losses and Advance Corporation Tax are deducted from the provision for deferred taxation.

2 SHARE CAPITAL

	1990 £	1989 £
Authorised:		
50,000 shares of £1 each	50,000	50,000
	*****	*****
Called Up and Fully Paid:		
50,000 ordinary shares of £1 each	50,000	50,000
	*****	*****

Full financial statements for shareholders for the year ended 28 February 1990 were approved by the Board of Directors on 3 August 1990. The directors have prepared the attached financial statements for the year ended 28 February 1990 in compliance with Sections 247 to 249 of, and Schedule 8 to, the Companies Act 1985.

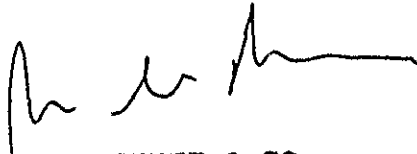
AUDITORS' REPORT TO THE DIRECTORS OF
S & M HOSIERY CO LIMITED

In our opinion, the company satisfies the requirements of Section 8(1)(10) to the Companies Act 1985 for exemption as a small company in respect of the year ended 28 February 1990 and, in particular, the modified financial statements have been properly prepared in accordance with Section 247 of, and Schedule 8 to, that Act.

We reported, as auditors of S & M Hosiery Co Limited to the members on 3 August 1990 on the company's financial statements prepared under Section 227 of the Companies Act 1985 for the year ended 28 February 1990 and our audit opinion was as follows.

We have audited the financial statements set out on pages 3 to 9 in accordance with auditing standards.

In our opinion the financial statements show a true and fair view of the state of the company's affairs at 28 February 1990 and of its profits and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



LOPIAN GROSS BARNETT & CO
ACCOUNTANTS
HARVESTER HOUSE
37 PETER STREET
MANCHESTER M2 5QD

3 AUGUST 1990