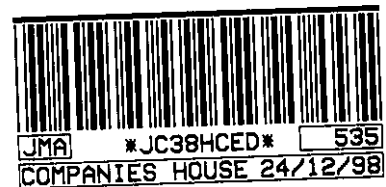


S & M HOSIERY CO LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 28 FEBRUARY 1998



S & M HOSIERY CO LIMITED

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S & M HOSIERY CO LIMITED

AUDITORS' REPORT TO S & M HOSIERY CO LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of the company for the year ended 28 February 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

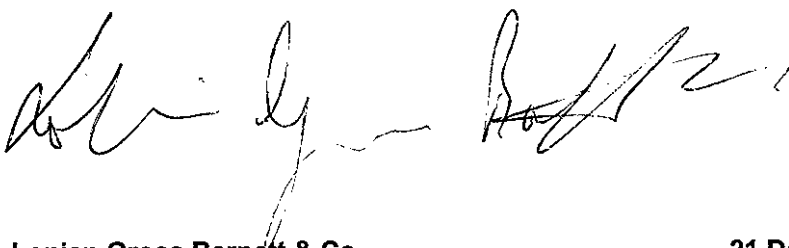
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act 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 financial statements, 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 financial statements.

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 pages 2 to 4 are properly prepared in accordance with those provisions.



Lopian Gross Barnett & Co

21 December 1998

**Chartered Accountants
Registered Auditor**

**Harvester House
37 Peter Street
Manchester
M2 5QD**

S & M HOSIERY CO LIMITED

ABBREVIATED BALANCE SHEET AS AT 28 FEBRUARY 1998

	Notes	1998 £	£	1997 £	£
Fixed assets					
Tangible assets	2		368,683		379,546
Current assets					
Stocks		450,250		127,518	
Debtors		59,274		57,100	
Cash at bank and in hand		40,023		294,454	
		<u>549,547</u>		<u>479,072</u>	
Creditors: amounts falling due within one year		<u>(168,291)</u>		<u>(110,260)</u>	
Net current assets			381,256		368,812
Total assets less current liabilities			<u>749,939</u>		<u>748,358</u>
Capital and reserves					
Called up share capital	3		50,000		50,000
Revaluation reserve			293,497		293,497
Profit and loss account			406,442		404,861
Shareholders' funds			<u>749,939</u>		<u>748,358</u>

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

The financial statements were approved by the board on 21 December 1998

✕ *Vikas Jerath* ✕

Vikas Jerath
Director

S & M HOSIERY CO LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 28 FEBRUARY 1998

1 Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings and in accordance with the Financial Reporting Standard for Smaller Entities.

1.2 Turnover

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

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Long leasehold property	1% Straight line
Fixtures & fittings	15% Reducing balance
Motor vehicles	25% Reducing balance

1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.5 Stock

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

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.8 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.

S & M HOSIERY CO LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 28 FEBRUARY 1998

2 Fixed assets

	Total £
Cost or valuation	
At 1 March 1997	470,567
Additions	10,062
Disposals	(37,879)
	442,750
At 28 February 1998	442,750
Depreciation	
At 1 March 1997	91,021
On disposals	(28,708)
Charge for the year	11,754
	74,067
At 28 February 1998	74,067
Net book value	
At 28 February 1998	368,683
At 28 February 1997	379,546

The long leasehold properties were revalued on 8 August 1990 by the Elliot Partnership on the basis of open market value. This value has been incorporated in the accounts. No provision has been made for the contingent capital gains tax liability in respect of the revalued properties.

The directors are of the opinion that the market value of the long leasehold properties at at the balance sheet date is not less than the book value and consider that there is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical cost basis.

The historical cost of the properties was £86,340.

3 Share capital

	1998 £	1997 £
Authorised		
50,000 Ordinary shares of £1 each	50,000	50,000
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	50,000	50,000