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ACUTE LIMITED

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 30TH SEPTEMBER 1995

HOWES AND CO.
CHARTERED ACCOUNTANTS



ACUTE LIMITED

DIRECTORS: Amanda Lismer
Peter Lismer

SECRETARY: Peter Lismer

REGISTERED OFFICE: 39 High Street
Burford
Oxfordshire
OX18 4QE

REGISTERED NUMBER: 2536708

BANKERS: Barclays Bank plc
Oxford City Office
High Street
Oxford
OX1 3HS

AUDITORS: Howes and Co.
Chartered Accountants
Midland Bank Chambers
Market Place
Chipping Norton
Oxfordshire OX7 5NA

ACUTE LIMITED
FINANCIAL ACCOUNTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1995

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The following page does not form part of the Statutory Accounts

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ACUTE LIMITED
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30TH SEPTEMBER 1995

The directors present their annual report with the accounts of the company for the year ended 30th September 1995.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was the design, manufacture and marketing of children's fashions and ladies and gentlemen's hairdressing.

REVIEW OF BUSINESS

A summary of the results for the year is given on page 4 of the accounts. The directors are aware that the company is reliant upon theirs and the bank's continuing support. At the date of signing this report, that support is ongoing and the company continues to trade.

DIVIDENDS

The directors do not recommend the payment of a dividend.

FIXED ASSETS

Acquisitions and disposals of fixed assets during the year are shown in note 7.

DIRECTORS

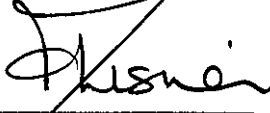
The directors in office in the year and their beneficial interests in the company's issued ordinary equity share capital were as follows:

	Ordinary Equity Shares of £1 each	
	<u>1995</u>	<u>1994</u>
Amanda Lismer	1	1
Peter Lismer	1	1

AUDITORS

The auditors, Howes and Co., will be re-appointed in accordance with Section 385 of the Companies Act 1985.

Signed on behalf of the
Board of Directors



Peter Lismer
Secretary

Date: 18th June 1996

ACUTE LIMITEDSTATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare financial accounts 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 accounts we are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial accounts;
- prepare the financial 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 financial accounts comply with 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.



Amanda Lismer
Director

Date 18th June 1996

AUDITORS' REPORT TO THE SHAREHOLDERS OF
ACUTE LIMITED

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 2 the company's directors are responsible for the preparation of financial 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 financial accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial 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 financial 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 financial accounts.

OPINION

In our opinion the financial accounts give a true and fair view of the state of the company's affairs as at 30th September 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HOWES AND CO.
Registered Auditors
Chartered Accountants
Midland Bank Chambers
Market Place
Chipping Norton
Oxfordshire OX7 5NA

Date *24 June 1996*

ACUTE LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH SEPTEMBER 1995

	<u>Notes</u>	<u>1995</u> £	<u>1994</u> £
TURNOVER	2	54,159	51,731
Cost of Sales		8,175	7,046
<u>GROSS PROFIT</u>		45,984	44,685
Administrative Expenses		43,925	39,693
<u>OPERATING PROFIT</u>	3	2,059	4,992
Bank Interest Received		1	2
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</u>		2,060	4,994
Bank Interest Payable		1,143	1,145
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		917	3,849
Tax on Ordinary Activities	5	761	1,050
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		£ 156	£ 2,799
<u>STATEMENT OF RETAINED EARNINGS</u>			
Loss Brought Forward		(4,103)	(6,902)
Retained Profit for the Year		156	2,799
<u>RETAINED LOSS CARRIED FORWARD</u>		£ (3,947)	£ (4,103)

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

There were no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6a to 6e form part of these accounts.

ACUTE LIMITEDBALANCE SHEETAS AT 30TH SEPTEMBER 1995

	<u>Notes</u>	<u>1995</u>		<u>1994</u>	
		£	£	£	£
FIXED ASSETS					
Intangible Assets	6		5,999		7,199
Tangible Assets	7		5,967		6,530
			<u>11,966</u>		<u>13,729</u>
CURRENT ASSETS					
Stock	8	13,637		7,432	
Debtors	9	3,948		1,713	
Cash at Bank and in Hand		485		88	
		<u>18,070</u>		<u>9,233</u>	
CREDITORS : Amounts Falling Due within One Year	10	<u>(8,695)</u>		<u>(11,098)</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>9,375</u>		<u>(1,865)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>21,341</u>		<u>11,864</u>
CREDITORS : Amounts Falling Due After more than One Year	11		<u>25,286</u>		<u>15,965</u>
			<u>£ (3,945)</u>		<u>£ (4,101)</u>
CAPITAL AND RESERVES					
Share Capital	12		2		2
Profit and Loss Account			<u>(3,947)</u>		<u>(4,103)</u>
TOTAL SHAREHOLDERS' FUNDS	13		<u>£ (3,945)</u>		<u>£ (4,101)</u>

Signed on behalf of the
Board of Directors



Amanda Lismer
Director

Approved by the Board: Date: 18th June 1996

The notes on pages 6a to 6e form part of these accounts.

ACUTE LIMITEDNOTES TO ACCOUNTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1995**1. ACCOUNTING POLICIES****Basis of Accounting**

The accounts have been prepared under the historical cost convention and using applicable accounting policies.

Turnover

Turnover represents the net invoiced sales of goods and services, excluding VAT.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Leasehold Property	The period of the lease
Fixtures and Fittings	3 to 10 years on cost

Intangible Fixed Assets

Costs have been capitalised and are amortised over the estimated life of the asset as follows:

Goodwill	10% straight line basis
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Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow-moving items. Cost includes all direct expenditure.

Deferred Taxation

Deferred Taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Leased Assets

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Cash Flow Statement

The company has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a cash flow statement for the year.

2. TURNOVER

The turnover and profit (1994 - profit) before taxation for the year is attributable to the principal activity of the company which is as detailed in the Directors' Report.

Turnover arises in the UK.

ACUTE LIMITED

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1995

3. OPERATING PROFIT

The Operating Profit (1994 - Profit) is stated after charging:

	<u>1995</u> £	<u>1994</u> £
Depreciation of Tangible Fixed Assets	1,256	1,282
Amortisation of Intangible Fixed Assets	1,200	1,200
Staff Costs - note 4	26,995	24,470
Auditors Remuneration	200	100
	<u> </u>	<u> </u>

4. STAFF COSTS

The costs incurred, including directors remuneration, were as follows:

	<u>1995</u> £	<u>1994</u> £
Salaries and Remuneration	26,995	24,470
	<u> </u>	<u> </u>

The average weekly number of employees during the year was as follows:

Office and Management	5	5
	<u> </u>	<u> </u>

Director's Remuneration in the year amounted to £4,282 (1994 £3,080)

5. TAXATION

The tax charge on the profit on ordinary activities was as follows:

	<u>1995</u> £	<u>1994</u> £
Corporation Tax	761	1,050
	<u> </u>	<u> </u>

Corporation tax has been charged on the profit at 25% (1994 25%).

ACUTE LIMITED

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1995

6. INTANGIBLE FIXED ASSETS

	<u>Goodwill</u> £
COST	
At 1st October 1994	
and 30th September 1995	11,999
AMORTISATION	
At 1st October 1994	4,800
Amortisation for year	1,200
At 30th September 1995	6,000
NET BOOK VALUE	
At 30th September 1995	5,999
At 30th September 1994	7,199

7. TANGIBLE FIXED ASSETS

	Fixtures & Fittings £	Leasehold Property £	TOTAL £
COST			
At 1st October 1994	5,051	9,429	14,480
Additions in the year	694	-	694
At 30th September 1995	5,745	9,429	15,174
DEPRECIATION			
At 1st October 1994	4,180	3,771	7,951
Charge for the year	313	943	1,256
At 30th September 1995	4,493	4,714	9,207
NET BOOK VALUE			
At 30th September 1995	1,252	4,715	5,967
At 30th September 1994	872	5,658	6,530

8. STOCKS

	<u>1995</u> £	<u>1994</u> £
Raw Materials and Finished Goods	13,637	7,432

ACUTE LIMITED

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1995

9. DEBTORS

	<u>1995</u> £	<u>1994</u> £
Amounts due within one year:		
Trade Debtors	376	-
Other Debtors	-	19
Prepayments	3,572	1,694
	<u>3,948</u>	<u>1,713</u>

10. CREDITORS

	<u>1995</u> £	<u>1994</u> £
Amounts falling due within one year:		
Bank Loans and Overdrafts	1,773	4,910
Trade Creditors	2,332	1,647
Taxation	761	1,050
Social Security and Other Taxes	2,076	2,165
Accruals	1,753	1,326
	<u>8,695</u>	<u>11,098</u>

11. CREDITORS

	<u>1995</u> £	<u>1994</u> £
Amounts falling due after more than one year:		
Bank Loan Account	17,112	11,717
Directors' Loan Account	8,174	4,248
	<u>25,286</u>	<u>15,965</u>
Creditors other than Finance Lease and Hire Purchase Contracts		
Creditors with instalments due for payment after more than five years	<u>12,677</u>	<u>12,677</u>

12. EQUITY SHARE CAPITAL

	<u>1995</u> £	<u>1994</u> £
Ordinary Equity Share Capital of £1 each:		
Authorised	<u>100</u>	<u>100</u>
Allotted, Issued and Fully Paid	<u>2</u>	<u>2</u>

ACUTE LIMITED

NOTES TO ACCOUNTS
FOR THE YEAR ENDED 30TH SEPTEMBER 1995

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1995</u> £	<u>1994</u> £
Profit for the financial year	156	2,799
Net addition to shareholders' funds	<u>156</u>	<u>2,799</u>
Opening Shareholders' Funds	(4,101)	(6,898)
Closing Shareholders' Funds	<u>(3,945)</u>	<u>(4,101)</u>

14. FINANCIAL COMMITMENTSOperating Leases

At 30th September 1995 the company had annual commitments under non-cancellable operating leases as set out below :-

	<u>1995</u> <u>Land and</u> <u>Buildings</u> £	<u>1994</u> <u>Land and</u> <u>Buildings</u> £
Operating Leases that expire: in the second to fifth years	<u>5,500</u>	-
	<u>5,500</u>	-