

Registration number 3633146

US Apparel (UK) Limited
Abbreviated accounts
for the year ended 30 June 2005



US Apparel (UK) Limited

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**Independent auditors' report to US Apparel (UK) Limited
under Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts set out on pages 2 to 5 together with the financial statements of US Apparel (UK) Limited for the year ended 30 June 2005 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

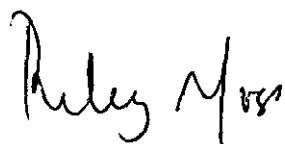
The directors are responsible for preparing abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) 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 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 in respect of the year ended 30 June 2005, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.



**Riley Moss Limited
Chartered Accountants and
Registered Auditors**

**183-185 North Road
Preston
Lancashire
PR1 1YQ**



US Apparel (UK) Limited

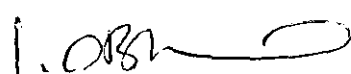
**Abbreviated balance sheet
as at 30 June 2005**

	Notes	2005		2004	
		£	£	£	£ <i>Restated</i>
Fixed assets					
Intangible assets	2		810		855
Tangible assets	2		8,163		25,601
			<u>8,973</u>		<u>26,456</u>
Current assets					
Stocks		195,378		296,447	
Debtors		559,710		372,554	
Cash at bank and in hand		184,581		299,580	
		<u>939,669</u>		<u>968,581</u>	
Creditors: amounts falling due within one year		<u>(1,012,061)</u>		<u>(1,035,784)</u>	
Net current liabilities			<u>(72,392)</u>		<u>(67,203)</u>
Total assets less current liabilities			<u>(63,419)</u>		<u>(40,747)</u>
Provisions for liabilities and charges			<u>7,355</u>		<u>3,385</u>
Deficiency of assets			<u>(56,064)</u>		<u>(37,362)</u>
Capital and reserves					
Called up share capital	3		100		100
Profit and loss account			<u>(56,164)</u>		<u>(37,462)</u>
Shareholders' funds			<u>(56,064)</u>		<u>(37,362)</u>

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

The abbreviated accounts were approved by the Board on 20 June 2006 and signed on its behalf by

Javaid Bhatti
Director



The notes on pages 3 to 5 form an integral part of these financial statements.

US Apparel (UK) Limited

Notes to the abbreviated financial statements for the year ended 30 June 2005

1. Accounting policies

1.1. Accounting convention

The accounts are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Patents

Patents are valued at cost less accumulated amortisation.

Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful life of 20 years.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 15% Reducing balance
Motor vehicles	- 25% Reducing balance

1.5. Stock

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

1.6. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted at the balance sheet date.

Prior to the adoption of FRS 19, the company provided for deferred taxation only to the extent that timing differences were expected to materialise in the foreseeable future. The adoption of the new policy has been made by way of a prior year adjustment as though the revised policy had always been applied.

US Apparel (UK) Limited

**Notes to the abbreviated financial statements
for the year ended 30 June 2005**

..... continued

1.7. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

2. Fixed assets	Intangible assets £	Tangible fixed assets £	Total £
Cost			
At 1 July 2004	900	35,866	36,766
Disposals	-	(20,500)	(20,500)
At 30 June 2005	900	15,366	16,266
Depreciation and Provision for diminution in value			
At 1 July 2004	45	10,265	10,310
On disposals	-	(5,125)	(5,125)
Charge for year	45	2,063	2,108
At 30 June 2005	90	7,203	7,293
Net book values			
At 30 June 2005	810	8,163	8,973
At 30 June 2004	855	25,601	26,456

3. Share capital	2005 £	2004 £
Authorised		
100 Ordinary shares of 1 each	100	100
Allotted, called up and fully paid		
100 Ordinary shares of 1 each	100	100

US Apparel (UK) Limited

Notes to the abbreviated financial statements for the year ended 30 June 2005

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4. Related party transactions

During the year the company purchased goods totalling to £ 2,045,527 (2004: £1,815,243) from US Apparel Textiles (pvt) Limited, the holding company. The amount owed to US Apparel Textiles (pvt) Limited, the holding company as at 30 June 2005 is £827,400 (2004: £737,786).

As at 30 June 2005 the company had an inter-company balanced owed US Apparel Textiles (pvt) Limited, the holding company for the amount of £29,015 (2004: £21,555).

The company received fee income for management of the company of £100,000 (2004: £100,000) from US Apparel (pvt) Limited. As at 30 June 2005 £100,405 (2004: £25,405) was receivable from the holding company.

As at 30 June 2005 the company owed AJ Investments Limited an amount of £120,000 (2004: £140,000). Mr Javaid Bhatti and Mr Mian Ahsan are both directors of AJ Investments Limited and US Apparel (UK) Limited. The loan is unsecured, interest free and repayable upon demand.

5. Ultimate parent undertaking

The company's ultimate parent company is US Apparel & Textiles (pvt) Ltd which is registered in Lahore, Pakistan.

6. Going concern

The company's parent company has confirmed that it will continue to make available such financial support as is required to enable the company to continue to trade for the foreseeable future. Having considered this and all other information available to them up to the date on which the financial statements were approved, the directors consider that it is appropriate to prepare the financial statements on a going concern basis.