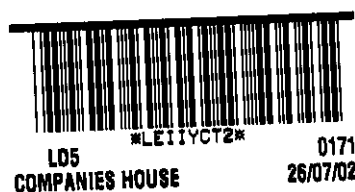


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Company Registration No. 3847708 (England and Wales)

AGENT PROVOCATEUR PARFUM LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2001



AGENT PROVOCATEUR PARFUM LIMITED

COMPANY INFORMATION

Directors	J F Corre S M Rees A Pickthall
Secretary	S. Rees
Company number	3847708
Registered office	Acre House 11-15 William Road London NW1 3ER
Business address	18 Mansfield Street Marylebone London W1G 9NN
Accountants	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER
Bankers	HSBC 196A Piccadilly London W1V ODY

AGENT PROVOCATEUR PARFUM LIMITED

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AGENT PROVOCATEUR PARFUM LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2001

The directors present their report and accounts for the period ended 30 September 2001.

Principal activities

The principal activity of the company is to manufacture perfume products.

The company was incorporated on 24 September 1999 but did not begin trading until 9 July 2000.

Review of business

Both the level of business and the period end financial position were as expected in the light of current trading conditions and the directors do not anticipate any material changes in the present level of activity.

Results and dividends

The loss for the period after taxation amounted to £28,956.

Directors and their interests

The directors at 30 September 2001 and their beneficial interests in the shares of the company were:

	Ordinary shares of £ 1 each	
	30 September 2001	1 April 2000
J F Corre	35,000	1
S M Rees	35,000	-
A Pickthall	30,000	-

On behalf of the Board

J F Corre

Director

Dated: 25/7/02

AGENT PROVOCATEUR PARFUM LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 SEPTEMBER 2001

		Period ended 30 September 2001 £	Period ended 31 March 2000 £
	Notes		
Turnover	2	532,990	-
Cost of sales		(431,929)	-
Gross profit		101,061	-
Administrative expenses		(130,587)	-
Operating loss		(29,526)	-
Other income	4	570	-
Loss on ordinary activities before taxation		(28,956)	-
Tax on loss on ordinary activities	5	-	-
Loss on ordinary activities after taxation		(28,956)	-
Accumulated loss brought forward		-	-
Accumulated loss carried forward		(28,956)	-

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

AGENT PROVOCATEUR PARFUM LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2001

	Notes	2001 £	£	2000 £	£
Current assets					
Stocks	6	74,192		-	
Debtors	7	110,971		1	
Cash at bank and in hand		27,682		-	
		<u>212,845</u>		<u>1</u>	
Creditors: amounts falling due within one year	8	<u>(141,801)</u>		<u>-</u>	
Total assets less current liabilities			<u>71,044</u>		<u>1</u>
Capital and reserves					
Called up share capital	9	100,000		1	
Profit and loss account		<u>(28,956)</u>		<u>-</u>	
Shareholders' funds - all equity interests	10		<u>71,044</u>		<u>1</u>

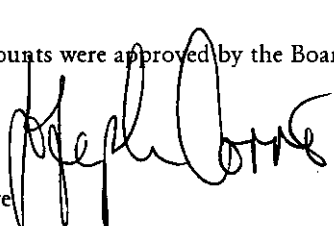
The company is entitled to the exemption from the audit requirement contained in section 249A(1) of the Companies Act 1985, for the period ended 30 September 2001. No member of the company has deposited a notice, pursuant to section 249B(2), requiring an audit of these accounts.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with section 221 of the Act; and
- (b) preparing accounts which give a true and fair view of the state of affairs of the company at 30 September 2001 and of its loss for the period then ended in accordance with section 226, and otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

The accounts were approved by the Board on 25/7/02.

X
J F Corre
Director



AGENT PROVOCATEUR PARFUM LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2001

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents the invoiced value of goods sold and services provided net of VAT.

1.3 Stock

Stock is stated at the lower of cost and net realisable value. Cost includes all direct costs incurred in bringing the stocks to their present location and condition.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

1.4 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.

1.5 Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are taken to profit and loss account.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

AGENT PROVOCATEUR PARFUM LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2001

3 Employees

Number of employees

The average monthly number of employees during the period was:

	2001 Number	2000 Number
Promotion	1	-

Employment costs

	£	£
Wages and salaries	5,839	-
Social security costs	404	-
	6,243	-

4 Other income

	2001 £	2000 £
Interest receivable and similar income	570	-

5 Tax on loss on ordinary activities

There is no corporation tax liability as the company has incurred a loss during the period.

6 Stocks

	2001 £	2000 £
Finished goods and goods for resale	74,192	-

7 Debtors

	2001 £	2000 £
Trade debtors	100,311	-
Amounts owed by companies under common control	10,660	-
Other debtors	-	1
	110,971	1

AGENT PROVOCATEUR PARFUM LIMITED

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2001

8	Creditors: amounts falling due within one year	2001 £	2000 £
	Taxes and social security costs	11,522	-
	Accruals and deferred income	130,279	-
		<u>141,801</u>	<u>-</u>

9	Share capital	2001 £	2000 £
	Authorised		
	1,000,000 Ordinary shares of £ 1 each	<u>1,000,000</u>	<u>100</u>
	Allotted, called up and fully paid		
	100,000 Ordinary shares of £ 1 each	<u>100,000</u>	<u>1</u>

The authorised share capital of the company was increased from £100 to £1,000,000 by the creation of 999,900 Ordinary shares of £1 each at an Extraordinary General Meeting held on 23 June 2000. In addition, the number of shares issued was increased from £1 to £100,000 by the issue of £99,999 Ordinary shares on the same day.

10	Reconciliation of movements in shareholders' funds	2001 £	2000 £
	Loss for the financial period	(28,956)	-
	New share capital subscribed	<u>99,999</u>	<u>-</u>
	Net addition to shareholders' funds	71,043	-
	Opening shareholders' funds	<u>1</u>	<u>1</u>
	Closing shareholders' funds	<u>71,044</u>	<u>1</u>

11 Related party transactions

The company trades in the ordinary course of business with Agent Provocateur Limited, a company in which J. Corre has a material beneficial interest.

During the period purchases were made of £31,226 from Agent Provocateur Limited. In addition, sales totalling £41,886 were made to Agent Provocateur Limited. At the period end Agent Provocateur Parfum Limited was owed £10,660 by Agent Provocateur Limited.

Furthermore, Agent Provocateur Parfum Limited pays £1,400 per month administrative services to Agent Provocateur Limited. Management services due in the period amounted to £15,600.

During the period ended 30 September 2001, £24,750 royalties were payable to Agent Provocateur Limited. Included in accruals at the period end were £14,305 of royalties.