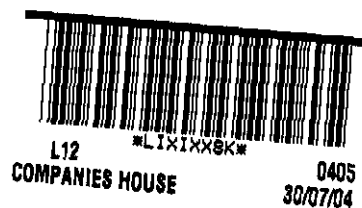


AGENT PROVOCATEUR PARFUM LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003



1. The first part of the document is a letter from the President of the United States to the Congress, dated January 3, 1862. It is a very important document, as it contains the President's message to Congress for the first time since the beginning of the year. The letter is written in a very formal and dignified style, and it is a very important document, as it contains the President's message to Congress for the first time since the beginning of the year.

AGENT PROVOCATEUR PARFUM LIMITED

COMPANY INFORMATION

Directors	J F Corre S M Rees
Secretary	S M Rees
Company number	3847708
Registered office	Acre House 11-15 William Road London NW1 3ER
Business address	18 Mansfield Street Marylebone London W1G 9NN
Auditors	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER
Bankers	HSBC 69 Pall Mall London SW1Y 5EY

AGENT PROVOCATEUR PARFUM LIMITED

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AGENT PROVOCATEUR PARFUM LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2003

The directors present their report and accounts for the year ended 30 September 2003.

Principal activities

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

Review of business

Both the level of business and the year 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 profit for the year after taxation amounted to £132,838 .

The directors do not recommend payment of an ordinary dividend.

Directors and their interests

The directors at 30 September 2003 and their beneficial interests in the shares of the company were:

	Ordinary shares of £ 1 each	
	30 September 2003	1 October 2002
J F Corre	35,000	35,000
S M Rees	35,000	35,000

Auditors

H W Fisher & Company were appointed auditors to the company and a resolution proposing that they be reappointed will be put to the members at the next Annual General Meeting.

On behalf of the Board

J F Corre

Director

Dated: 28/7/04

AGENT PROVOCATEUR PARFUM LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the 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 accounts comply with the 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.

AGENT PROVOCATEUR PARFUM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accounts of Agent Provocateur Parfum Limited for the year ended 30 September 2003 set out on pages 4 to 9. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 6.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

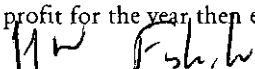
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the 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 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 September 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


H W Fisher & Company

Chartered Accountants
Registered Auditor
Acre House
11-15 William Road
London
NW1 3ER
United Kingdom

Dated: 28 July 2004

AGENT PROVOCATEUR PARFUM LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2003

	Notes	2003 £	2002 £
Turnover	2	1,133,207	908,890
Cost of sales		(791,417)	(679,133)
Gross profit		341,790	229,757
Administrative expenses		(165,972)	(131,099)
Operating profit	3	175,818	98,658
Other income	5	1,265	-
Profit on ordinary activities before taxation		177,083	98,658
Tax on profit on ordinary activities	6	(44,245)	(13,796)
Profit on ordinary activities after taxation		132,838	84,862
Dividends	7	-	(16,500)
Retained profit for the financial year		132,838	68,362
Retained profit/(accumulated loss) brought forward		39,406	(28,956)
Retained profit carried forward		172,244	39,406

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

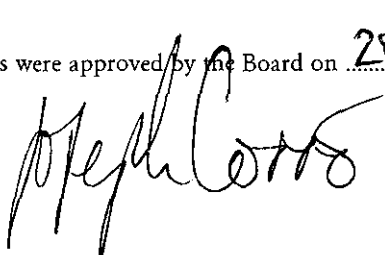
BALANCE SHEET

AS AT 30 SEPTEMBER 2003

	Notes	2003 £	2002 £
Current assets			
Stocks	8	166,180	32,220
Debtors	9	318,075	137,700
Cash at bank and in hand		168,077	76,746
		<u>652,332</u>	<u>246,666</u>
Creditors: amounts falling due within one year	10	<u>(380,088)</u>	<u>(107,260)</u>
Total assets less current liabilities		<u>272,244</u>	<u>139,406</u>
Capital and reserves			
Called up share capital	11	100,000	100,000
Profit and loss account		172,244	39,406
Shareholders' funds - all equity interests	12	<u>272,244</u>	<u>139,406</u>

The accounts were approved by the Board on 28/7/04

J F Corre
Director



AGENT PROVOCATEUR PARFUM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003

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 tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

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

Geographical market

	Turnover	
	2003	2002
	£	£
United Kingdom	986,119	56,061
Rest of world	147,088	852,829
	<u>1,133,207</u>	<u>908,890</u>

3 Operating profit

	2003	2002
	£	£
Operating profit is stated after charging:		
Auditors' remuneration	3,500	-
	<u>3,500</u>	<u>-</u>

AGENT PROVOCATEUR PARFUM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003

4 Employees

Number of employees

Other than the directors there were no employees during the year.

5 Other income

2003	2002
£	£

Interest receivable and similar income

1,265	-
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6 Tax on profit on ordinary activities

2003	2003	2002	2002
£	£	£	£

Current tax

UK corporation tax

Current tax on income for the period

44,245	13,796
--------	--------

44,245	13,796
--------	--------

Factors affecting the tax charge for the year

Profit on ordinary activities before taxation

177,083	98,658
---------	--------

Profit on ordinary activities before taxation multiplied by
standard rate of UK corporation tax of 25.00 % (2002 : 19.50 %)

44,271	19,238
--------	--------

Effects of:

Movement in tax losses

(26)	(5,442)
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Current tax charge

44,245	13,796
--------	--------

7 Dividends

2003	2002
£	£

Ordinary interim proposed

-	16,500
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8 Stocks

2003	2002
£	£

Finished goods and goods for resale

166,180	32,220
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AGENT PROVOCATEUR PARFUM LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2003

9	Debtors	2003 £	2002 £
	Trade debtors	123,101	116,885
	Amounts owed by companies under common control	86,280	20,815
	Prepayments and accrued income	108,694	-
		<u>318,075</u>	<u>137,700</u>
10	Creditors: amounts falling due within one year	2003 £	2002 £
	Trade creditors	90,929	-
	Corporation tax	44,245	13,796
	Other taxes and social security costs	43,760	12,110
	Accruals and deferred income	201,154	64,854
	Proposed dividend	-	16,500
		<u>380,088</u>	<u>107,260</u>
11	Share capital	2003 £	2002 £
	Authorised 1,000,000 Ordinary shares of £ 1 each	<u>1,000,000</u>	<u>1,000,000</u>
	Allotted, called up and fully paid 100,000 Ordinary shares of £ 1 each	<u>100,000</u>	<u>100,000</u>
12	Reconciliation of movements in shareholders' funds	2003 £	2002 £
	Profit for the financial year	132,838	84,862
	Dividends	-	(16,500)
	Net addition to shareholders' funds	<u>132,838</u>	<u>68,362</u>
	Opening shareholders' funds	<u>139,406</u>	<u>71,044</u>
	Closing shareholders' funds	<u>272,244</u>	<u>139,406</u>

AGENT PROVOCATEUR PARFUM LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2003

13 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 year purchases were made of £1,858 (2002: £33,715) from Agent Provocateur Limited. In addition, sales totalling £37,350 (2002: £50,254) were made to Agent Provocateur Limited. At the year end Agent Provocateur Parfum Limited was owed £86,280 (2002: £20,815) by Agent Provocateur Limited.

Furthermore, Agent Provocateur Parfum Limited pays administrative services to Agent Provocateur Limited. Management services due in the period amounted to £16,800 (2002: £55,300).

During the year ended 30 September 2003, £75,858 (2002: £41,721) royalties were payable to Agent Provocateur Limited. Included in accruals at the year end were £94,289 (2002: £45,566) of royalties.