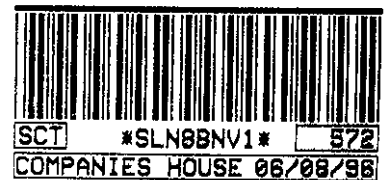
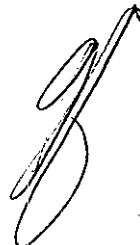


Company No. 128821

TAL (PERFORMANCE CLOTHING) LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR YEAR ENDED DECEMBER 31, 1995

McEWEN & COMPANY
CHARTERED ACCOUNTANTS
KIRKINTILLOCH



DIRECTORS' REPORT

The Directors submit their Report and Financial Statements for the year ended December 31, 1995.

Directors: James Brown McFarlane
Siobhan Mary Mooney
Brian Gibb

Principal Activity

The principal activity was the provision of machinery.

Directors

The present directors are as shown above.

Directors' Interests

The interest of the directors in the shares of the company, both at the beginning and end of the year were as follows:

	<u>At December 31, 1995</u>	<u>At December 31, 1994</u>
James Brown McFarlane	1	1
Siobhan Mary Mooney	1	1
Brian Gibb	-	-

Auditors

As the company qualifies for audit exemption under subsection 1 of section 249A of the Companies Act 1985, no auditor was appointed.

This report has been prepared taking advantage of the exemptions conferred by Part II of Schedule 8 of the Companies Act 1985, on the grounds that in the opinion of the directors the company is entitled to these exemptions as a small company.

BY ORDER OF THE BOARD

Siobhan Mary Mooney

S M MOONEY
DIRECTOR

June 12, 1996



ANNE McEWEN, C.A.
JOHN PRIOR, C.A.

CHARTERED ACCOUNTANTS

2 Broadcroft, Kirkintilloch,
Glasgow G66 1HP

Telephone: 0141-776 1258

Fax. No.: 0141-775 1428

2.

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS
ON THE UNAUDITED FINANCIAL STATEMENTS
OF TAL (PERFORMANCE CLOTHING) LIMITED

As described on page 5, the company's directors are responsible for the preparation of the financial statements and they believe that the company is exempt from an audit. In accordance with their instructions and in order to assist the directors to fulfil their responsibilities, we have prepared the financial statements on pages 3 to 9 from the accounting records and from information and explanations supplied to us.

As we have not performed an audit, we do not provide any assurance that the financial statements for the year ended December 31, 1995, show a true and fair view, which remains the sole responsibility of the directors.

CHARTERED ACCOUNTANTS
KIRKINTILLOCH

June 12, 1996

TAL (PERFORMANCE CLOTHING) LIMITED

PROFIT & LOSS ACCOUNT FOR
YEAR ENDED DECEMBER 31, 1995

	<u>Notes</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Turnover	2	5,000	900
Cost of Sales		-	-
		<u>5,000</u>	<u>900</u>
Administrative Expenses		<u>4,965</u>	<u>898</u>
Operating Profit	3	35	2
Interest Payable & Similar Charges		<u>-</u>	<u>-</u>
Profit on Ordinary Activities before Taxation		35	2
Tax on Profit on Ordinary Activities	4	<u>-</u>	<u>-</u>
Profit on Ordinary Activities after Taxation		35	2
Dividends		<u>-</u>	<u>-</u>
Retained Profit for the Year		35	2
Forward from Previous Years		<u>2</u>	<u>-</u>
		<u>37</u>	<u>2</u>
		<u>=====</u>	<u>=====</u>

The only recognised gain for the year is the profit for the year of £35 (1994 : £2).

There were no acquisitions and no discontinued operations in the year.

The annexed notes form part of these financial statements.

TAL (PERFORMANCE CLOTHING) LIMITED

BALANCE SHEET
AT DECEMBER 31, 1995

	<u>Notes</u>	£	<u>1995</u>	£	<u>1994</u> £
Fixed Assets:					
Tangible Assets	5			35,840	5,512

Current Assets:					
Debtors	6	7,493			1,983
Cash		566			609

		8,059			2,592
Creditors: Amounts falling due within one year	7	5,167			200

Net Current Assets				2,892	2,392
				-----	-----
Total Assets Less Current Liabilities				38,732	7,904

Creditors: Amounts falling due after more than one year	8			38,693	7,900

Provisions for Liabilities and Charges				-	-
				-----	-----
Net Assets				39	4
				=====	=====
Capital and Reserves:					
Called up Share Capital	9			2	2
Profit and Loss Account				37	2
				-----	-----
Carried Forward				39	4

BALANCE SHEET
AT DECEMBER 31, 1995
(continued)

	<u>Notes</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
Brought Forward		39	4

The directors are satisfied that the company is entitled to exemption under subsection 1 of Section 249A of the Companies Act.

The directors acknowledge their responsibility for:

1. ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985;
2. confirming that no notice requiring an audit has been deposited under subsection 2 of S249B in relation to the financial statements for the year; and
3. preparing accounts which give a true and fair view of the state of affairs of the company as at December 31, 1995 and of its profit for the year then ended in accordance with the requirement of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to financial statements, so far as applicable to the company.

The directors have taken advantage of the special exemptions conferred by Part 1 of Schedule 8 of the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to these exemptions as a small company.

ON BEHALF OF THE BOARD

.....
J B McFARLANE
DIRECTOR

June 12, 1996

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39

4

The annexed notes form part of these financial statements.

TAL (PERFORMANCE CLOTHING) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR TO DECEMBER 31, 1995

1. Accounting Policies

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Basis of preparation of Financial Statements

The financial statements have been prepared under the historical cost convention.

The effect of events relating to the year ended December 31, 1995, which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at December 31, 1995, and of the results for the year ended on that date.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their useful lives using the following rates:

Plant & Machinery - 20% per annum of cost

Deferred Taxation

Deferred Taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

2. Turnover

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year and was earned in the United Kingdom.

3. Operating Profit

	<u>1995</u> £	<u>1994</u> £
This is stated after charging:		
Depreciation and Amortisation		
of Owned Assets	4,331	674
	=====	=====

4. Tax on Profit on Ordinary Activities/

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR TO DECEMBER 31, 1995

4. Tax on Profit on Ordinary Activities

	<u>1995</u> £	<u>1994</u> £
Current Year:		
Corporation Tax at 25%	-	-
	=====	=====
There are tax losses, calculated at 25%, available for carry forward (1994:£218).		

5. Tangible Fixed Assets

	<u>Computer</u> £	<u>Plant & Machinery</u> £	<u>Total</u> £
Cost:			
At January 1, 1995	806	5,380	6,186
Additions	9,370	25,289	34,659
	=====	=====	=====
At December 31, 1995	10,176	30,669	40,845
	=====	=====	=====
Depreciation:			
At January 1, 1995	40	634	674
Charge for Year	620	3,711	4,331
	=====	=====	=====
At December 31, 1995	660	4,345	5,005
	=====	=====	=====
Net Book Value			
At December 31, 1995	9,516	26,324	35,840
	=====	=====	=====
Net Book Value			
At December 31, 1994	766	4,746	5,512
	=====	=====	=====

6. Debtors - All Receivable Within One Year

	<u>1995</u> £	<u>1994</u> £
Trade Debtors	5,000	900
Other Debtors	2,493	1,083
	=====	=====
	7,493	1,983
	=====	=====

7. Creditors - Amounts Falling Due Within One Year/

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR TO DECEMBER 31, 1995

(continued)

11. Capital Commitments

Commitments for capital expenditure at the end of the year were as follows:

	<u>1995</u>	<u>1994</u>
	£	£
Authorised and Contracted for	NIL	NIL
	===	===
Authorised but not Contracted for	NIL	NIL
	===	===

NOTES TO THE FINANCIAL STATEMENTS
FOR YEAR TO DECEMBER 31, 1995

(continued)

7. Creditors - Amounts Falling Due Within One Year

	<u>1995</u>	<u>1994</u>
	£	£
Trade Creditors	4,567	-
Accruals	600	200
	<u>5,167</u>	<u>200</u>
	=====	=====

8. Creditors - Amounts Falling Due Outwith One Year

	£	£
Loan	38,693	7,900
	=====	=====

The loan is interest free and has no fixed repayment date. TAL Partnership, the lender, has confirmed that no call will be made within twelve months of the Balance Sheet date.

9. Share Capital

	<u>Authorised</u>	<u>Allotted, Called Up and Fully Paid</u>
	No.	£
100 Ordinary Shares of £1 each	100	2
	===	===

10. Reconciliation of Movements
in Shareholders' Funds

	<u>1995</u>	<u>1994</u>
	£	£
Profit for the Financial Year	35	2
Opening Shareholders' Funds	4	2
	<u>39</u>	<u>4</u>
	=====	=====

11. Capital Commitments/