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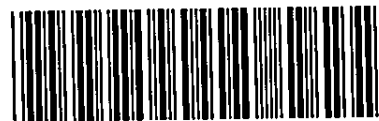
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KJ PITTALIS & CO

ALISON HAYES (UK) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

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ALISON HAYES (UK) LIMITED

COMPANY INFORMATION

Directors	Mr Evelthon Georgiades Mr Robert Chamberlain Mr George Vassiliou Ms Julie Thompson Mr Nicholas Georgiades Mr Evelthon Vassiliou
Secretary	Mr Shailen Thakrar
Company number	2241601
Registered office	First Floor Global House 303 Ballards Lane London N12 8NP
Auditors	K J Pittalis & Co Chartered Accountants Global House 303 Ballards Lane London N12 8NP
Business address	361B-363B Liverpool Road London Great Britain N1 1NL
Bankers	Bank of Cyprus (London) Limited 27-31 Charlotte Street London Great Britain W1T 1RP
Solicitors	Pittalis & Co Solicitors Global House 303 Ballards Lane London Great Britain N12 8NP

ALISON HAYES (UK) LIMITED

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ALISON HAYES (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report and financial statements for the year ended 31 December 2007

Principal activities and review of the business

The principal activity of the company continued to be that of designers, manufacturers and wholesalers of wearable, high quality ladies garments

The company is a wholly owned subsidiary of Synek Limited, a company incorporated in Cyprus. The company has a wholly owned subsidiary, Alison Hayes (Romania) SRL which deals with the production, warehousing and distribution in Romania. On 22 December 2007 the other two subsidiaries, Alison Hayes Moda SRL and Alison Hayes (Brittanica) SA, were merged with Alison Hayes (Romania) SRL.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

The directors' financial risk management objective is to maximise financial assets and minimise financial liabilities whilst not engaging in speculation. The financial risks faced by the company include interest earned on cash and short term investments, liquidity of investments and foreign currency fluctuations. The company's liquid resources are invested having regard to the timing of payments to be made in the ordinary course of the activities. The company operates in a global market not just in sterling and Euros in which the bulk of the operating costs are incurred. The company does not hedge potential future income, since the existence, quantum and timing of such income cannot be accurately predicted. The board considers that the company's exposure to changing market prices on the values of financial instruments does not have a significant impact on the financial assets and liabilities.

Results and dividends

The results for the year are set out on page 5.

The directors do not recommend payment of an ordinary dividend.

Market value of land and buildings

In the opinion of the directors the market value of land and buildings exceeds the current net book value.

The company's main asset at Liverpool Road, London N1 1NL was revalued in January 2008 by Asset Valuation Worldwide Chartered Surveyors, at £122m. This amount has been included in the financial statements.

Future developments

The directors aim to maintain the management policies which have resulted in the company's substantial growth in recent years. They consider that the next year will show a further growth in sales.

The directors are looking into ways of diversifying their sourcing of raw materials.

Directors

The following directors have held office since 1 January 2007:

Mr Evelthon Georgiades

Mr Robert Chamberlain

Miss Koulla Georgiadou

(Deceased 24 December 2007)

Mr George Vassiliou

Ms Julie Thompson

Mr Nicholas Georgiades

Mr Evelthon Vassiliou

ALISON HAYES (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

Directors' interests

The directors' interests in the shares of the company were as stated below

	ordinary shares of £1 each	
	31 December 2007	1 January 2007
Mr Evelthon Georgiades	-	-
Mr Robert Chamberlain	-	-
Mr George Vassiliou	-	-
Ms Julie Thompson	-	-
Mr Nicholas Georgiades	-	-
Mr Evelthon Vassiliou	-	-

Taxation status

The company was not a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year

Auditors

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386(1) of the Companies Act 1985. Therefore, the auditors, K J Pittalis & Co, will be deemed to be reappointed for each succeeding financial year

Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements 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 statements, the directors are required to

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

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the board



Mr Evelthon Vassiliou

Director

11 July 2008

ALISON HAYES (UK) LIMITED
INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF ALISON HAYES (UK) LIMITED

We have audited the financial statements of ALISON HAYES (UK) LIMITED for the year ended 31 December 2007 set out on pages 5 to 19. These financial statements have been prepared under the accounting policies set out therein.

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, 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 statements 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 statements.

ALISON HAYES (UK) LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF ALISON HAYES (UK) LIMITED

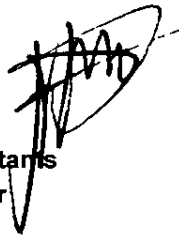
Opinion

In our opinion

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
-
- the information given in the directors' report is consistent with the financial statements

K J Pittalis & Co

Chartered Accountants
Registered Auditor



11 July 2008

First Floor
Global House
303 Ballards Lane
London
N12 8NP

ALISON HAYES (UK) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Turnover	2	42,336,470	37,411,430
Cost of sales		(31,603,796)	(27,497,315)
Gross profit		10,732,674	9,914,115
Distribution costs		(7,645,467)	(7,357,539)
Administrative expenses		(2,131,486)	(2,194,125)
Other operating income		14,400	14,400
Operating profit	3	970,121	376,851
Other interest receivable and similar income	4	20,152	16,317
Amounts written off investments	5	-	32,000
Interest payable and similar charges	6	(201,941)	(150,100)
Profit on ordinary activities before taxation		788,332	275,068
Tax on profit on ordinary activities	7	(257,383)	(104,482)
Profit on ordinary activities after taxation	17	530,949	170,586

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

ALISON HAYES (UK) LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 DECEMBER 2007

	2007	2006
Notes	£	£
Profit for the financial year	530,949	170,586
Unrealised surplus on revaluation of properties	154,266	-
Total recognised gains and losses relating to the year	<u>685,215</u>	<u>170,586</u>

Note of historical cost profits and losses

	2007	2006
	£	£
Reported profit on ordinary activities before taxation	788,332	275,068
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	4,957	14,096
Historical cost profit on ordinary activities before taxation	<u>793,289</u>	<u>289,164</u>
Historical cost profit for the year retained after taxation, extraordinary items and dividends	<u>535,906</u>	<u>184,682</u>

ALISON HAYES (UK) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	2007		2006	
		£	£	£	£
Fixed assets					
Tangible assets	8	1,791,450		1,658,566	
Investments	9	2,665,210		2,664,975	
			<u>4,456,660</u>		<u>4,323,541</u>
Current assets					
Stocks	10	177,915		1,585,673	
Debtors	11	6,383,625		8,131,322	
Investments	12	50,000		50,000	
Cash at bank and in hand		861,775		442,157	
			<u>7,473,315</u>		<u>10,209,152</u>
Creditors: amounts falling due within one year	13	<u>(3,400,349)</u>		<u>(7,631,206)</u>	
Net current assets			<u>4,072,966</u>		<u>2,577,946</u>
Total assets less current liabilities			<u>8,529,626</u>		<u>6,901,487</u>
Creditors: amounts falling due after more than one year	14		<u>(1,260,080)</u>		<u>(317,156)</u>
			<u>7,269,546</u>		<u>6,584,331</u>
Capital and reserves					
Called up share capital	16	1,000,000		1,000,000	
Revaluation reserve	17	1,010,374		856,108	
Profit and loss account	17	5,259,172		4,728,223	
Shareholders' funds	18		<u>7,269,546</u>		<u>6,584,331</u>

Approved by the Board and authorised for issue on 11 July 2008

Mr Robert Chamberlain
Director

Mr Evelthon Vassiliou
Director

ALISON HAYES (UK) LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2007

	£	2007 £	£	2006 £
Net cash inflow/(outflow) from operating activities		1,538,907		(1,956,056)
Returns on investments and servicing of finance				
Interest received	20,152		16,317	
Interest paid	(201,941)		(150,100)	
Net cash outflow for returns on investments and servicing of finance		(181,789)		(133,783)
Taxation		(230,000)		(439,719)
Capital expenditure and financial investment				
Payments to acquire tangible assets	(68,884)		(32,563)	
Payments to acquire investments	(235)		32,000	
Receipts from sales of tangible assets	15,050		-	
Net cash outflow for capital expenditure		(54,069)		(563)
Net cash inflow/(outflow) before management of liquid resources and financing		1,073,049		(2,530,121)
Management of liquid resources				
Current asset investments	-		(32,000)	
				(32,000)
Financing				
Other new long term loans	1,000,000		-	
Repayment of other long term loans	(57,076)		(10,000)	
Net cash inflow/(outflow) from financing		942,924		(10,000)
Increase/(decrease) in cash in the year		2,015,973		(2,572,121)

ALISON HAYES (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2007

1	Reconciliation of operating profit to net cash inflow/(outflow) from operating activities		2007		2006
			£		£
	Operating profit		970,121		376,851
	Depreciation of tangible assets		75,908		96,210
	Profit on disposal of tangible assets		(692)		-
	Decrease in stocks		1,407,758		973,459
	Decrease/(increase) in debtors		1,742,556		(3,850,131)
	(Decrease)/Increase in creditors within one year		(2,656,744)		447,555
	Net cash inflow/(outflow) from operating activities		1,538,907		(1,956,056)
2	Analysis of net debt	1 January 2007	Cash flow	Other non-cash changes	31 December 2007
		£	£	£	£
	Net cash				
	Cash at bank and in hand	442,157	419,618	-	861,775
	Bank overdrafts	(3,012,665)	1,596,355	-	(1,416,310)
		(2,570,508)	2,015,973	-	(554,535)
	Liquid resources				
	Current asset investments	50,000	-	-	50,000
	Bank deposits	-	-	-	-
	Debt				
	Debts falling due after one year	(317,156)	(942,924)	-	(1,260,080)
	Net debt	(2,837,664)	1,073,049	-	(1,764,615)
3	Reconciliation of net cash flow to movement in net debt		2007		2006
			£		£
	Increase/(decrease) in cash in the year		2,015,973		(2,572,121)
	Cash outflow from increase in liquid resources		-		32,000
	Cash (inflow)/outflow from (increase)/decrease in debt		(942,924)		10,001
	Movement in net debt in the year		1,073,049		(2,530,120)
	Opening net debt		(2,837,664)		(307,544)
	Closing net debt		(1,764,615)		(2,837,664)

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Freehold	fifty years
Plant and machinery	25% Reducing balance
Fixtures, fittings & equipment	25% Reducing balance
Motor vehicles	25% Reducing balance

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value

1.6 Stock and work in progress

Stock and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable

The assets of the scheme are held separately from those of the company in an independently administered fund

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance had not been discounted

Deferred tax is not provided as there is no reasonable probability of a material amount becoming payable in the foreseeable future

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

1 Accounting policies (continued)

1.9 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Synek Limited, a company incorporated in Cyprus, and is included in the consolidated accounts of that company.

2 Turnover

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

3 Operating profit	2007	2006
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	75,908	96,210
Auditors' remuneration	30,000	30,000
and after crediting		
Profit on disposal of tangible assets	(692)	-
	75,216	126,210
 4 Investment income	2007	2006
	£	£
Bank interest	20,152	16,317
	20,152	16,317
 5 Amounts written off investments	2007	2006
	£	£
Amounts written off investments in prior years written back		
- current assets	-	(32,000)
	-	(32,000)
 6 Interest payable	2007	2006
	£	£
On amounts payable to group companies	74,162	-
On bank loans and overdrafts	127,779	150,100
	201,941	150,100

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

7 Taxation	2007 £	2006 £
Domestic current year tax		
U K corporation tax	257,383	104,482
	<u>257,383</u>	<u>104,482</u>
Current tax charge	<u>257,383</u>	<u>104,482</u>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	788,332	275,068
	<u>788,332</u>	<u>275,068</u>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30 00% (2006 30 00%)	236,500	82,520
	<u>236,500</u>	<u>82,520</u>
Effects of		
Non deductible expenses	16,532	10,803
Depreciation add back	22,565	28,863
Capital allowances	(17,781)	(19,576)
Adjustments to previous periods	-	11,472
Other tax adjustments	(433)	(9,600)
	<u>20,883</u>	<u>21,962</u>
Current tax charge	<u>257,383</u>	<u>104,482</u>

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

8 Tangible fixed assets	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2007	1,622,326	447,048	461,159	77,854	2,608,387
Additions	-	5,125	9,503	54,256	68,884
Revaluation	154,266	-	-	-	154,266
Disposals	(181,592)	-	-	(46,669)	(228,261)
At 31 December 2007	1,595,000	452,173	470,662	85,441	2,603,276
Depreciation					
At 1 January 2007	181,592	370,238	349,414	48,577	949,821
On disposals	(181,592)	-	-	(32,311)	(213,903)
Charge for the year	18,000	19,789	28,718	9,401	75,908
At 31 December 2007	18,000	390,027	378,132	25,667	811,826
Net book value					
At 31 December 2007	1,577,000	62,146	92,530	59,774	1,791,450
At 31 December 2006	1,440,734	76,810	111,745	29,277	1,658,566

Comparable historical cost for the land and buildings included at valuation.

	£
Cost	
At 1 January 2007 & at 31 December 2007	573,892
Depreciation based on cost	
At 1 January 2007	105,315
Charge for the year	13,043
At 31 December 2007	118,358
Net book value	
At 31 December 2007	455,534
At 31 December 2006	468,577

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

8 Tangible fixed assets (continued)

Land and buildings include an investment property at a cost of £192,326. The directors estimate that the open market value of the property is in the region of £375,000 based on an estate agent's valuation. The company's main asset at Liverpool Road, London N1 1NL was revalued in January 2008 by Asset Valuation Worldwide Chartered Surveyors at £122m. The valuation is reflected in the financial statements.

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost or valuation	
At 1 January 2007	2,664,975
Additions	235
	2,665,210
At 31 December 2007	2,665,210
Net book value	
At 31 December 2007	2,665,210
	2,665,210
At 31 December 2006	2,664,975
	2,664,975

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
Subsidiary undertakings			
Alison Hayes (Romania) SRL	Romania	ordinary	99.96

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2007 £	Profit for the year 2007 £
	Principal activity		
Alison Hayes (Romania) SRL	Manufacture of garments	5,156,057	314,094
		5,156,057	314,094

On 22 December 2007 the two subsidiaries Alison Hayes Moda SRL and Alison Hayes (Brittanica) SA were merged with Alison Hayes (Romania) SRL.

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

		2007		2006
		£		£
10	Stocks and work in progress			
	Raw materials and consumables	133,413		1,280,010
	Work in progress	44,502		216,597
	Finished goods and goods for resale	-		89,066
		<u>177,915</u>		<u>1,585,673</u>
11	Debtors			
	Trade debtors	3,667,233		4,424,086
	Amounts owed by subsidiary undertakings	2,534,297		3,477,491
	Corporation tax	-		5,141
	Other debtors	105,051		107,289
	Prepayments and accrued income	77,044		117,315
		<u>6,383,625</u>		<u>8,131,322</u>
	Amounts falling due after more than one year and included in the debtors above are			
		2007		2006
		£		£
	Amounts owed by group undertakings	<u>2,534,297</u>		<u>3,477,491</u>
12	Current asset investments			
	Listed investments	<u>50,000</u>		<u>50,000</u>

These comprise investments in shares of a company listed on the Cyprus Stock Exchange. The market value of shares listed on the Cyprus Stock Exchange at the date of signing the financial statements was approximately £69,560 (cost- £50,000)

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

13 Creditors amounts falling due within one year	2007 £	2006 £
Bank loans and overdrafts	1,416,310	3,012,665
Trade creditors	852,459	3,339,234
Amounts owed to parent and fellow subsidiary undertakings	111,701	165,931
Amounts owed to subsidiary undertakings	1,083	314,075
Corporation tax	22,242	-
Other taxes and social security costs	871,281	232,630
Directors' current accounts	-	7,154
Accruals and deferred income	125,273	559,517
	3,400,349	7,631,206

The bank overdraft and other facilities are secured by a first legal charge over the company's freehold properties

14 Creditors' amounts falling due after more than one year	2007 £	2006 £
Other loans	1,260,080	317,156
	1,260,080	317,156
Analysis of loans		
Not wholly repayable within five years by instalments	760,080	-
Not wholly repayable within five years other than by instalments		
Amount owed to group undertaking	-	317,156
Wholly repayable within five years	500,000	-
	1,260,080	317,156
Loan maturity analysis		
In more than one year but not more than two years	100,000	-
In more than two years but not more than five years	400,000	-
In more than five years	760,080	317,156
	760,080	317,156

The company borrowed £1,000,000 from the parent company, Synek Limited, to finance the continued growth of the business. Interest is charged at a rate of 2.25% above the 3 month LIBOR rate.

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

15 Pension costs

Defined contribution

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

	2007 £	2006 £
Contributions payable by the company for the year	64,874	69,975
	<u>64,874</u>	<u>69,975</u>

16 Share capital

Authorised

1,000,000 ordinary shares of £1 each

	2007 £	2006 £
1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

Allotted, called up and fully paid

1,000,000 ordinary shares of £1 each

1,000,000 ordinary shares of £1 each	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

17 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2007	856,108	4,728,223
Profit for the year	-	530,949
Revaluation during the year	154,266	-
	<u>1,010,374</u>	<u>5,259,172</u>
Balance at 31 December 2007	1,010,374	5,259,172

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

18 Reconciliation of movements in shareholders' funds	2007	2006
	£	£
Profit for the financial year	530,949	170,586
Other recognised gains and losses	154,266	-
Net addition to shareholders' funds	685,215	170,586
Opening shareholders' funds	6,584,331	6,413,745
Closing shareholders' funds	7,269,546	6,584,331

19 Directors' emoluments	2007	2006
	£	£
Emoluments for qualifying services	478,860	593,206
Company pension contributions to money purchase schemes	57,311	63,975
	536,171	657,181

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2006- 3)

Emoluments disclosed above include the following amounts paid to the highest paid director

Emoluments for qualifying services	261,620	223,960
Company pension contributions to money purchase schemes	45,000	54,600

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2007 Number	2006 Number
Employees	<u>84</u>	<u>88</u>
Employment costs	2007 £	2006 £
Wages and salaries	3,144,649	3,181,654
Social security costs	279,702	273,301
Other pension costs	64,874	69,975
	<u>3,489,225</u>	<u>3,524,930</u>

21 Control

The ultimate parent company is Synek Limited and it owns 100% of the ordinary share capital. Synek Limited is a company registered in Cyprus and prepares group financial statements and copies can be obtained from Stavros Avenue 56, Kariadides Trading Centre, Block A2, Flat 105, Strovolos, Nicosia, Cyprus.

22 Related party transactions

During the year the company paid production costs in the ordinary course of business to Alison Hayes (Romania) SRL, Alison Hayes Moda SRL, and Alison Hayes (Brittanica) S A subsidiary undertakings. The production costs paid were £27,882,323 (2006- £13,710,372).