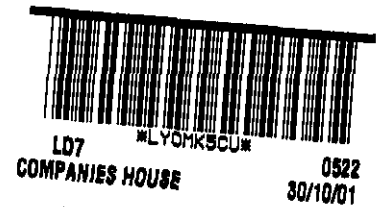


Registered in England
Company No. 2241601

**Report
And
Financial Statements**

ABLEROSE LIMITED

for the year ended 31 December 2000



K J Pittalis & Co.

KJP

CHARTERED ACCOUNTANTS

90-92 HIGH ROAD, EAST FINCHLEY, LONDON N2 9EB

ABLEROSE LIMITED

Contents

Officers and company information	1
Directors' report	2 - 3
Auditors' report	4
Profit and loss account	5
Statement of total recognised gains and losses	6
Balance sheet	7
Cash flow statement	8
Notes to the accounts	9 - 14



ABLEROSE LIMITED

Officers and Company Information

Directors: Mr Evelthon Georgiades, Cypriot (Chairman)
Mr Robert Chamberlain, British (Managing)
Miss Koula Georgiadou, Cypriot
Mr George Vassiliou, Cypriot
Miss Julie Thompson, British
Mr Nicolas Georghiades, Cypriot

Company secretary: Mr Neil White

Registered in England: 2241601

Registered office: 90-92 High Road
London
N2 9EB

Trading address: 361B-363B Liverpool Road
London
N1 1NL

Bankers: Bank of Cyprus (London) Limited
162 Seven Sisters Road
London
N7 7PT

Auditors: K J Pittalis & Co
Chartered accountants
90-92 High Road
London
N2 9EB

Solicitors: Pittalis & Co
98 High Road
London
N2 9EB

ABLEROSE LIMITED

Directors' Report

The directors present their report together with the accounts of the company for the year ended 31 December 2000.

Principal activity

The principal activity of the company is that of manufacturers and wholesalers of ladies garments. The company trades under the name of Alison Hayes.

Results and dividends

The profit and loss account of the company is set out on page 5 and shows the results for the year. The retained profit for the financial year before taxation and the extraordinary item was **£485,148** (1999 - £199,343). No dividend is recommended.

Review of the business and future developments

The company has increased sales significantly and also improved its margins. The company expects to maintain its results during 2001.

Fixed assets

Details and movements in the fixed assets of the company are detailed in the balance sheet and note 6 of the accounts on page 11.

Directors' responsibilities

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 departure 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 to 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.

ABLEROSE LIMITED

Directors' Report

The Euro

Although the single European currency (the Euro) came into existence on 1 January 1999, the UK Government has indicated that the UK will not participate at this stage. The impact on our business has been considered and it is not expected to have any material effect due to the nature of our operations.

Directors

The directors of the company during the year and their interest in the share capital of the company were:

	Ordinary Shares of £1 each	
	2000	1999
Mr E Georgiades	--	--
Mr R A Chamberlain	--	--
Miss K Georgiadou	--	--
Mr G Vassiliou	--	--
Miss J Thompson	--	--
Mr N Georghiades (appointed 25 February 2000)	--	--

Synek Limited, a company incorporated in Cyprus, holds **1,000,000** (1999 - 500,000) shares of £1 each and apart from J Thompson, the others are also directors of Synek Limited.

Auditors

Messrs K J Pittalis & Co are deemed to be reappointed in accordance with Section 386 of the Companies Act 1985.

BY ORDER OF THE BOARD



Neil White
Secretary

12 October 2001

ABLEROSE LIMITED

Auditors' Report to Ablero Limited under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 5 to 14 together with the full statutory accounts of the company for the year ended 31 December 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of Directors and Auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A 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 246A(3) 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.

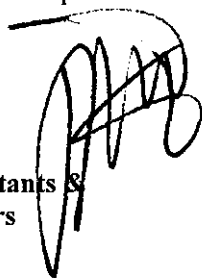
Basis of opinion

We have carried out the procedures necessary to confirm, by reference to the accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered 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 full statutory accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 5 to 14 are properly prepared in accordance with those provisions.

K J Pittalis & Co
Chartered Accountants &
Registered Auditors
90-92 High Road
London N2 9EB



12 October 2001

ABLEROSE LIMITED

Profit and Loss Account for the year ended 31 December 2000

	Notes	2000	1999
		£	£
Gross profit		4,941,825	3,878,724
Distribution costs		(3,608,426)	(2,779,488)
Administrative expenses		(867,738)	(897,135)
		<hr/>	<hr/>
Operating profit	3	465,661	202,101
Rental income		17,361	--
Interest receivable		10,269	11,173
Interest payable		(8,143)	(13,931)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		485,148	199,343
Taxation	4	(189,094)	(38,787)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		296,054	160,556
Extraordinary item	5	19,839	(19,839)
		<hr/>	<hr/>
Retained profit for the financial year		315,893	140,717
Retained profit at 1 January 2000		610,575	469,858
		<hr/>	<hr/>
Retained profit at 31 December 2000		926,468	610,575
		<hr/> <hr/>	<hr/> <hr/>

All of the company's activities derive from continuing operations.

ABLEROSE LIMITED

Statement of total recognised gains and losses for the year ended 31 December 2000

	2000	1999
	£	£
Profit for the financial year	315,893	140,717
Unrealised surplus on revaluation of property	--	289,122
	<hr/>	<hr/>
Total recognised gains relating to the year	315,893	429,839
	<hr/> <hr/>	<hr/> <hr/>

Note of historical cost profits and losses

The difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis is not material.

ABLEROSE LIMITED

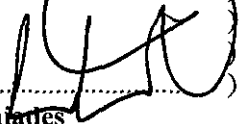
Balance Sheet As at 31 December 2000

	Notes	2000 £	1999 £
Fixed assets			
Tangible assets	6	1,429,342	1,417,839
Investments	7	800,187	800,187
		2,229,529	2,218,026
Current assets			
Stock	8	2,201,158	1,902,261
Debtors	9	877,981	714,084
Investments	10	98,500	19,000
Cash at bank and in hand		212,766	473,076
		3,390,405	3,108,421
Creditors			
Amounts falling due within one year	11	(2,642,468)	(3,259,764)
		747,937	(151,343)
Total assets less current liabilities		2,977,466	2,066,683
Creditors			
Amounts falling due after more than one year	12	(594,890)	(500,000)
		2,382,576	1,566,683
Net assets		2,382,576	1,566,683
Capital and reserves			
Called up share capital	13	1,000,000	500,000
Revaluation reserve	14	456,108	456,108
Profit and loss account		926,468	610,575
		2,382,576	1,566,683
Shareholders' funds	15	2,382,576	1,566,683

The accounts were approved by the board of directors on 12 October 2001 and signed on its behalf by:


.....
R A Chamberlain

.....
Directors


.....
N Georghades

ABLEROSE LIMITED

Cash Flow Statement for the year ended 31 December 2000

	Notes	2000		1999	
		£	£	£	£
Net cash (outflow)/inflow from operating activities	1		(185,622)		553,367
Returns on investment and servicing of finance					
Interest paid		(8,143)		(13,931)	
Interest received		10,269		11,173	
Other income		<u>17,361</u>		<u>--</u>	
Net cash inflow/(outflow) from returns on investment & servicing of finance			19,487		(2,758)
Taxation					
Corporation tax paid			(19,098)		(63,994)
Investing activities					
Issuing of share capital		500,000		--	
Conversion of loan to share capital		(500,000)		--	
Payments to acquire tangible fixed assets		(126,127)		(274,111)	
Receipts from sale of fixed assets		<u>17,000</u>		<u>5,000</u>	
Net cash (outflow) from investing activities			(109,127)		(269,111)
Management of liquid resources					
Purchase of listed investment			<u>(50,000)</u>		<u>(48,500)</u>
Net cash (outflow)/inflow before financing			(344,360)		169,004
Financing					
Loan repayments		<u>(120,610)</u>		<u>(42,735)</u>	
Net cash outflow from financing			(120,610)		(42,735)
(Decrease)/increase in cash & cash equivalents 2			<u>(464,970)</u>		<u>126,269</u>

NOTES TO CASH FLOW STATEMENT

1. Reconciliation of operating profit to net cash outflow from operating activities.

	2000	1999
	£	£
Operating profit	465,661	202,101
Depreciation charge	98,366	104,266
(Profit)/loss on sale of fixed assets	(742)	1,532
(Increase) in stocks & work in progress	(298,897)	(172,865)
(Increase)/decrease in debtors	(163,897)	385,596
(Decrease)/increase in creditors	<u>(286,113)</u>	<u>32,737</u>
Net cash (outflow)/inflow from operating activities	<u>(185,622)</u>	<u>553,367</u>

2. Analysis of change in cash and cash equivalents during the year

	2000	1999	Change in year
	£	£	£
Cash at bank and in hand	212,766	473,076	(260,310)
Bank overdraft	<u>(457,733)</u>	<u>(253,073)</u>	<u>(204,660)</u>
	<u>(244,967)</u>	<u>220,003</u>	<u>(464,970)</u>

ABLEROSE LIMITED

Notes forming part of the accounts for the year ended 31 December 2000

1. ACCOUNTING POLICIES

(i) **Accounting convention**

The financial statements were prepared under the historical cost convention modified to include the revaluation of the freehold property and comply with all applicable accounting standards.

(ii) **Depreciation**

Depreciation is calculated at the following rates using the reducing balance method and aims to write off the cost of assets over their expected useful lives.

Freehold buildings - 2% on cost or revalued amounts
Other assets - 25% on cost

(iii) **Stocks**

Stocks and work-in-progress are valued by the directors at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items.

(iv) **Investment in subsidiaries and consolidation**

The investment in the subsidiary undertakings is stated at cost. The directors consider that there has not been any permanent diminution in the value of the investments.

The company and its subsidiaries comprise a medium group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

(v) **Foreign currency translation**

- (a) Monetary assets and liabilities denominated in a foreign currency are translated into Sterling at the foreign exchange rate ruling at the balance sheet date.
- (b) Revenue and expenses in foreign currencies are recorded in Sterling at an average rate during the year in which the transactions arise.
- (c) Gains and losses on translation are included in the profit and loss account.

(vi) **Deferred taxation**

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

(vii) **Pensions**

The company operates a defined benefit pension scheme. The assets of the scheme are invested and managed independently of the finances of the company.

In principle the company contributes to the scheme an amount equal to the regular cost of pensions as calculated by a qualified actuary. The regular pensions costs so calculated are charged to the profit and loss account.

The company also makes contributions to a defined contributions scheme. The pension costs so calculated are charged to the profit and loss account.

ABLEROSE LIMITED

Notes forming part of the accounts
for the year ended 31 December 2000

2. TURNOVER

Turnover represents the amounts receivable, excluding VAT, by the company for goods sold in the United Kingdom.

3. OPERATING PROFIT

	2000	1999
	£	£
i) Operating profit is stated after charging:		
Depreciation	98,366	104,266
Auditors' emoluments	17,250	16,250
Directors' emoluments	297,367	182,535
ii) Directors:		
Emoluments for service as directors	250,750	135,000
Pension contributions	25,856	28,200
Benefits in kind	<u>20,761</u>	<u>19,335</u>
	<u>297,367</u>	<u>182,535</u>
iii) Employee costs during the year amounted to:		
Wages & salaries	1,301,489	1,133,912
Social security costs	120,955	129,457
Pension contributions	<u>11,300</u>	<u>5,486</u>
	<u>1,433,744</u>	<u>1,268,855</u>

iv) The average number of employees during the year was 61 (1999 - 60).

v) There is one director who is accruing benefits under a defined benefits scheme.

vi) There is one director who is accruing benefits under a defined contributions scheme.

ABLEROSE LIMITED
Notes forming part of the accounts
for the year ended 31 December 2000

4.	TAXATION	2000	1999
		£	£
	Taxation based on the adjusted profit for the year:		
	Corporation tax on profit for the year	163,899	38,787
	Adjustment for prior year	<u>25,195</u>	<u>--</u>
		<u>189,094</u>	<u>37,787</u>

The directors do not consider that any provision is required for deferred taxation, as no material liability is expected to crystallise. No provision has been made for deferred taxation.

5. EXTRAORDINARY ITEM

This represents the amount of the current asset investment written back as set out in note 10. The amount is made up as follows:

Increase/(reduction) in value of investment	29,500	(29,500)
Taxation credit/(charge)	<u>(9,661)</u>	<u>9,661</u>
Net credit/(charge) in accounts	<u>19,839</u>	<u>(19,839)</u>

6. TANGIBLE FIXED ASSETS

	Land & Buildings	Computer Equipment	Fixtures & Fittings	Plant & Machinery	Motor Vehicles	Total
	£	£	£	£	£	£
Cost/revaluation						
At 1 January 2000	1,192,326	206,114	143,709	117,297	92,523	1,751,969
Additions	--	48,895	13,188	4,040	60,004	126,127
Disposals					(40,213)	(40,213)
At 31 December 2000	1,192,326	255,009	156,897	121,337	112,314	1,837,883
Depreciation						
At 1 January 2000	40,480	109,101	78,740	53,866	51,943	334,130
Charge for the year	9,809	36,477	19,539	16,868	15,673	98,366
Disposals					(23,955)	(23,955)
At 31 December 2000	50,289	145,578	98,279	70,734	43,661	408,541
Net book values						
At 31 December 2000	1,142,037	109,431	58,618	50,603	68,653	1,429,342
At 31 December 1999	1,151,846	97,013	64,969	63,431	40,580	1,417,839

The freehold property from which the company operates was valued in April 2000 at £1,000,000 by Copping Joyce, surveyors, on the basis of open market value. The cost or revaluation of freehold buildings on which depreciation is charged amounted to **£750,000** (1999 - £750,000).

The historical cost of freehold land and buildings included in the valuation of £1,000,000 was **£543,892** (1999 - £543,892)

ABLEROSE LIMITED
Notes forming part of the accounts
for the year ended 31 December 2000

7. FIXED ASSET INVESTMENTS

Cost	£
At 1 January 2000 and 31 December 2000	<u>800,187</u>

Subsidiary undertakings

The company's investment in its subsidiary companies represents the cost of acquisition of 100% of the ordinary share capital of Alison Hayes (Romania) SA and Alison Hayes (Brittanica) SA.

At 31 December 2000, the aggregate of the share capital and reserves of Alison Hayes (Romania) SA amounted to £963,747 and the profit for the year to that date was £127,982. At 31 December 2000, the aggregate of the share capital and reserves of Alison Hayes (Brittanica) SA amounted to £100,083 and the loss for the year to date was £4,589.

8. STOCK

Stock has been valued at the lower of cost and net realisable value and comprises of the following:

	2000 £	1999 £
Fabric and trimmings	1,609,973	1,366,229
Finished goods	400,443	370,096
Goods in transit	73,212	120,329
Work in progress	117,530	45,607
	2,201,158	1,902,261
	2,201,158	1,902,261

9. DEBTORS

Trade debtors	616,869	357,972
Amounts owed by group undertakings	173,255	115,423
Other debtors	66,597	123,774
Prepayments	21,260	116,915
	877,981	714,084
	877,981	714,084

Debtors include amounts of £6,100 falling due after more than one year.

10. CURRENT ASSET INVESTMENTS

These comprise investments in shares of companies listed on the London and Cyprus Stock Exchanges at cost. The shares listed on the London Stock Exchange were sold after the year end at a profit. The market value of shares listed on the Cyprus Stock Exchange at the date of signing the accounts was £21,238 (cost - £50,000). The directors are confident that this company has good long term prospects and expect the share price to increase.

ABLEROSE LIMITED

Notes forming part of the Accounts for the year ended 31 December 2000

11. CREDITORS

	2000	1999
	£	£
Amounts falling due within one year		
Bank loan	--	120,610
Bank overdraft	457,733	253,073
Trade creditors	863,378	1,407,161
Amounts owed to group undertakings	722,174	1,043,208
Customs & Excise – VAT	285,501	219,528
Inland Revenue – PAYE & NIC	56,737	36,191
Corporation tax	208,783	29,126
Other creditors & accruals	48,162	150,867
	2,642,468	3,259,764
	2,642,468	3,259,764

12. CREDITORS

Amounts falling due after more than one year

Amount owed to group undertakings	537,390	500,000
Other creditors	57,500	--
	594,890	500,000
	594,890	500,000

The bank loan was initially for £350,000 and advanced in order to assist with the purchase of the freehold property in March 1996. The loan was repaid in the year.

13. CALLED UP SHARE CAPITAL

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

1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>500,000</u>
--------------------------------------	------------------	----------------

On 16 December 2000 500,000 additional ordinary shares were issued at par by capitalising the long term loan from the holding company.

14. REVALUATION RESERVE

At 1 January 2000 and 31 December 2000	<u>456,108</u>
--	----------------

ABLEROSE LIMITED

Notes forming part of the Accounts for the year ended 31 December 2000

15. SHAREHOLDERS FUNDS

Reconciliation of movements in shareholders' funds	2000 £	1999 £
Profit for the financial year after taxation	315,893	140,717
Other recognised gains relating to the year	--	289,122
Allotment of shares	500,000	--
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
Opening shareholders' funds at 1 January 2000	1,566,683	1,136,844
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
Closing shareholders' funds at 31 December 2000	2,382,576	1,566,683
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

16. RELATED PARTY TRANSACTIONS

During the year the company paid production costs in the ordinary course of business to Synek Limited the ultimate holding company and Alison Hayes (Romania) SA subsidiary undertaking. The production costs paid were as follows:

Synek Limited	--	426,060
Alison Hayes (Romania) SA	1,467,974	1,074,386
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	1,467,974	1,500,446
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

Amounts owed by group undertaking as disclosed in note 9 are as follows:

Alison Hayes (Romania) SA	79,326	36,602
Alison Hayes (Brittanica) SA	93,929	78,821
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	173,255	115,423
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

Amount owed to group undertaking as disclosed in note 11 are as follows:

Synek Limited	533,852	920,793
Alison Hayes (Romania) SA	188,322	122,415
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	722,174	1,043,208
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

Amount included in long term creditors as per note 12

Synek Limited – subordinated loan	300,000	500,000
Alison Hayes (Romania) SA	237,390	--
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	537,390	500,000
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>