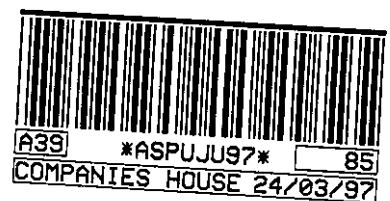


FRANKA (COUTURE-BOUTIQUE) LIMITED

Company number 863777

ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 1996

MELTON ASSOCIATES
Chartered Accountants
and Registered Auditors
112 Wembley Park Drive
Wembley
Middlesex HA9 8HS



FRANKA (COUTURE-BOUTIQUE) LIMITED

REPORT OF THE AUDITORS TO THE DIRECTORS

UNDER SCHEDULE 8 PARAGRAPH 8 OF THE COMPANIES ACT 1985

We have examined the Abbreviated Financial Statements on pages 2 to 4, together with the full Financial Statements of the Company for the year ended 30 June 1996. Our work in connection with this Report was limited to confirming that the Company is entitled to the exemptions claimed by the Directors and that the Abbreviated Financial Statements have been properly prepared in accordance with Schedule 8 to the Companies Act 1985.

In our opinion, the Company satisfies the requirements of Sections 246 and 247 of the Companies Act 1985 for exemption as a Small Company for the year ended 30 June 1996 and the Abbreviated Financial Statements have been properly prepared in accordance with Schedule 8 to the Companies Act 1985.

As Auditors of the Company we reported to the members on 22 October 1996 on the Financial Statements of the Company prepared under Section 226 of the Companies Act 1985 as follows:-

'We have audited the Financial Statements on pages 4 to 10.

Respective responsibilities of Directors and Auditors

As set out on page 2, the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based upon our audit, on those statements and to report our opinion to you.

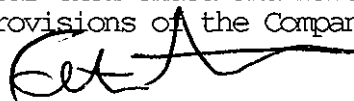
Basis of opinion

We conducted our audit in accordance with 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 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 were 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.

Opinion

In our opinion, the Financial Statements give a true and fair view of the state of the Company's affairs as at 30 June 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.'



FELTON ASSOCIATES
Chartered Accountants
and Registered Auditors
112 Wembley Park Drive
Wembley
Middlesex HA9 8HS
18 March 1997

FRANKA (COUTURE-BOUTIQUE) LIMITED

ABBREVIATED BALANCE SHEET AS AT 30 JUNE 1996

		1996		1995	
	Note	£	£	£	£
FIXED ASSETS					
Intangible assets	2		145,715		153,205
Tangible assets	3		28,950		32,899
			<u>174,665</u>		<u>186,104</u>
CURRENT ASSETS					
Stocks		15,000		15,000	
Debtors		106,905		117,030	
Cash in hand		1,876		378	
		<u>123,781</u>		<u>132,408</u>	
CREDITORS					
Amounts falling due within one year		(158,457)		(136,981)	
NET CURRENT LIABILITIES					
			<u>(34,676)</u>		<u>(4,573)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			139,989		181,531
CREDITORS					
Amounts falling due after more than one year			(85,500)		(54,000)
			<u>54,489</u>		<u>127,531</u>
CAPITAL AND RESERVES					
Called up share capital	4		271,971		271,971
Profit and loss account			(217,482)		(144,440)
			<u>54,489</u>		<u>127,531</u>

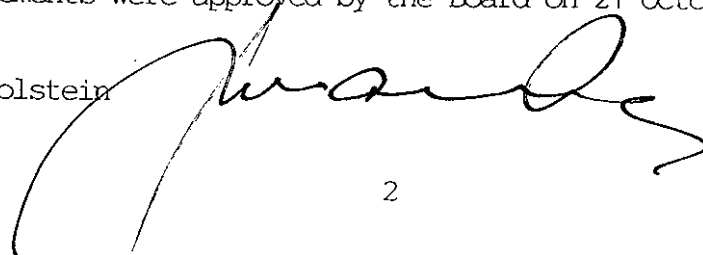
The Directors have taken advantage of the exemptions conferred on small companies by Part I of Schedule 8 to the Companies Act 1985 in preparing these Financial Statements. In the opinion of the Directors, the Company qualifies as a Small Company and is therefore entitled to benefit from these exemptions.

The Directors have relied on the exemptions for individual Financial Statements contained in Sections 246 and 247 of the Companies Act 1985 on the basis that the Company is entitled to the benefit of those exemptions as a Small Company.

The Financial Statements were approved by the Board on 21 October 1996.

Franka Stael Von Holstein

Director



FRANKA (COUTURE-BOUTIQUE) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1996

1. ACCOUNTING POLICIES

(a) Accounting convention

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

(b) Depreciation

Depreciation of fixed assets is provided at the following rates

	% per annum	Method
Fixtures and fittings	12	reducing balance

Brand Capitalisation is depreciated on a straight line basis over 25 years.

(c) Stocks

Stocks are valued at the lower of cost or net realisable value.

(d) Turnover

Turnover represents net invoiced sales, excluding value added tax.

2. INTANGIBLE FIXED ASSETS

	Brand Capitalisation £
COST	
1 July 1995 and 30 June 1996	187,257
DEPRECIATION	
1 July 1995	34,052
Charge for the year	7,490
30 June 1996	41,542
NET BOOK VALUE	
30 June 1996	145,715
30 June 1995	153,205

FRANKA (COUTURE-BOULIQUE) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 1996

3. TANGIBLE FIXED ASSETS

COST	£
1 July 1995	92,767
Additions	346
	<hr/>
30 June 1996	93,113
	<hr/> <hr/>
DEPRECIATION	
1 July 1995	59,868
Charge for the year	4,295
	<hr/>
30 June 1996	64,163
	<hr/> <hr/>
NET BOOK VALUE	
30 June 1996	28,950
	<hr/> <hr/>
30 June 1995	32,899
	<hr/> <hr/>

	1996 £	1995 £
4. CALLED UP SHARE CAPITAL		
Authorised		
10,000 Ordinary shares of £1 each	10,000	10,000
980,000 10% Preference shares of £1 each	980,000	980,000
	<hr/>	<hr/>
	990,000	990,000
	<hr/> <hr/>	<hr/> <hr/>
Issued, called up and fully paid		
4,000 Ordinary shares of £1 each	4,000	4,000
267,971 Preference shares of £1 each	267,971	267,971
	<hr/>	<hr/>
	271,971	271,971
	<hr/> <hr/>	<hr/> <hr/>