

224/601

CHARTERED ACCOUNTANTS

Global House
303 Ballards Lane
London N12 8NP

T +44 (0)20 8492 9440
F +44 (0)20 8492 9441
E info@kjppittalis.co.uk

K J PITTALIS & CO

ALISON HAYES (UK) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2006

FRIDAY



L12 *LZ317TCH* 369
28/09/2007
COMPANIES HOUSE

ALISON HAYES (UK) LIMITED

COMPANY INFORMATION

Directors	Mr Evelthon Georgiades Mr Robert Chamberlain Miss Koulla Georgiadou Mr George Vassiliou Ms Julie Thompson Mr Nicholas Georghiades 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 87 Chase Side London Great Britain N14 5BU
Solicitors	Pittalis & Co Solicitors Global House 303 Ballards Lane London Great Britain N12 8NP

ALISON HAYES (UK) LIMITED

CONTENTS

	Page
Directors' report	1 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the cash flow statement	9
Notes to the financial statements	10 - 18

ALISON HAYES (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2006

The directors present their report and financial statements for the year ended 31 December 2006

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 itself has three wholly owned subsidiaries, Alison Hayes (Romania) S A and Alison Hayes Moda S R L who deal with the production of the garments in Romania and Alison Hayes (Brittanica) S A which deals with the warehousing and distribution of production in Romania

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

Results and dividends

The results for the year are set out on page 6

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 April 2004 by Ringley, Chartered Surveyors, at £1.43m. This amount has been included in the financial statements

Post balance sheet events

The company increased its investment in one of its subsidiaries, Alison Hayes (Romania) S A, in May 2007 by the purchase of 1203 shares at a total cost of £235

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

ALISON HAYES (UK) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

Directors

The following directors have held office since 1 January 2006

Mr Evelthon Georgiades
Mr Robert Chamberlain
Miss Koulla Georgiadou
Mr George Vassiliou
Ms Julie Thompson
Mr Nicholas Georghiades
Mr Evelthon Vassiliou

Directors' interests

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

	ordinary shares of £1 each	
	31 December 2006	1 January 2006
Mr Evelthon Georgiades	-	-
Mr Robert Chamberlain	-	-
Miss Koulla Georgiadou	-	-
Mr George Vassiliou	-	-
Ms Julie Thompson	-	-
Mr Nicholas Georghiades	-	-
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

ALISON HAYES (UK) LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

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

27 July 2007

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 2006 set out on pages 6 to 18. 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 to them 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 3, 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 2006 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

27 July 2007

Global House
303 Ballards Lane
London
N12 8NP

ALISON HAYES (UK) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2006

	Notes	2006 £	2005 £
Turnover	2	37,411,430	38,288,746
Cost of sales		<u>(27,497,315)</u>	<u>(27,289,437)</u>
Gross profit		9,914,115	10,999,309
Distribution costs		(7,357,539)	(6,668,123)
Administrative expenses		(2,194,125)	(2,667,135)
Other operating income		<u>14,400</u>	<u>14,400</u>
Operating profit	3	376,851	1,678,451
Other interest receivable and similar income	4	16,317	23,094
Amounts written off investments	5	32,000	-
Interest payable and similar charges	6	<u>(150,100)</u>	<u>(32,325)</u>
Profit on ordinary activities before taxation		275,068	1,669,220
Tax on profit on ordinary activities	7	<u>(104,482)</u>	<u>(526,774)</u>
Profit on ordinary activities after taxation	17	<u>170,586</u>	<u>1,142,446</u>

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

ALISON HAYES (UK) LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2006

	Notes	2006		2005	
		£	£	£	£
Fixed assets					
Tangible assets	8	1,658,566		1,722,214	
Investments	9	2,664,975		2,664,975	
			<u>4,323,541</u>		<u>4,387,189</u>
Current assets					
Stocks	10	1,585,673		2,559,132	
Debtors	11	8,131,322		4,276,050	
Investments	12	50,000		18,000	
Cash at bank and in hand		442,157		186,757	
			<u>10,209,152</u>		<u>7,039,939</u>
Creditors: amounts falling due within one year	13	<u>(7,631,206)</u>		<u>(4,686,226)</u>	
Net current assets			<u>2,577,946</u>		<u>2,353,713</u>
Total assets less current liabilities			<u>6,901,487</u>		<u>6,740,902</u>
Creditors amounts falling due after more than one year	14		<u>(317,156)</u>		<u>(327,157)</u>
			<u>6,584,331</u>		<u>6,413,745</u>
Capital and reserves					
Called up share capital	16	1,000,000		1,000,000	
Revaluation reserve	17	856,108		856,108	
Profit and loss account	17	4,728,223		4,557,637	
Shareholders' funds - equity interests	18		<u>6,584,331</u>		<u>6,413,745</u>

The financial statements were approved by the Board on 27 July 2007

Mr Robert Chamberlain
Director

Mr Evelthon Vassiliou
Director

ALISON HAYES (UK) LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

	2006	2005
	£	£
Net cash (outflow)/inflow from operating activities	(1,956,056)	388,315
Returns on investments and servicing of finance		
Interest received	16,317	23,094
Interest paid	(150,100)	(32,325)
Net cash outflow for returns on investments and servicing of finance	(133,783)	(9,231)
Taxation	(439,719)	(494,201)
Capital expenditure and financial investment		
Payments to acquire tangible assets	(32,563)	(37,100)
Payments to acquire investments	32,000	-
Receipts from sales of tangible assets	-	10,450
Net cash outflow for capital expenditure	(563)	(26,650)
Acquisitions and disposals		
Purchase of subsidiary undertakings (net of cash acquired)	-	(200,000)
Net cash outflow for acquisitions and disposals	-	(200,000)
Net cash outflow before management of liquid resources and financing	(2,530,121)	(341,767)
Management of liquid resources		
Current asset investments	(32,000)	-
	(32,000)	-
Financing		
Repayment of other long term loans	(10,000)	-
Net cash outflow from financing	(10,000)	-
Decrease in cash in the year	(2,572,121)	(341,767)

ALISON HAYES (UK) LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2006

1	Reconciliation of operating profit to net cash (outflow)/inflow from operating activities			
		2006	2005	
		£	£	
	Operating profit	376,851	1,678,451	
	Depreciation of tangible assets	96,210	107,811	
	Loss on disposal of tangible assets	-	1,800	
	Decrease/(increase) in stocks	973,459	(77,387)	
	Increase in debtors	(3,850,131)	(620,607)	
	Increase/(decrease) in creditors within one year	447,555	(701,753)	
	Net cash (outflow)/inflow from operating activities	(1,956,056)	388,315	
2	Analysis of net debt	1 January 2006	Cash flow	Other non-cash changes
		31 December 2006		
		£	£	£
	Net cash			
	Cash at bank and in hand	186,757	255,400	-
	Bank overdrafts	(185,144)	(2,827,521)	-
		<u>1,613</u>	<u>(2,572,121)</u>	<u>-</u>
	Liquid resources			
	Current asset investments	18,000	32,000	-
	Bank deposits	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>
	Debt			
	Debts falling due after one year	(327,157)	10,001	-
		<u>(307,544)</u>	<u>(2,530,120)</u>	<u>-</u>
	Net debt	<u>(307,544)</u>	<u>(2,530,120)</u>	<u>(2,837,664)</u>
3	Reconciliation of net cash flow to movement in net debt	2006	2005	
		£	£	
	Decrease in cash in the year	(2,572,121)	(341,767)	
	Cash outflow from increase in liquid resources	32,000	-	
	Cash outflow from decrease in debt	10,001	-	
	Movement in net debt in the year	(2,530,120)	(341,767)	
	Opening net (debt)/funds	(307,544)	34,223	
	Closing net debt	(2,837,664)	(307,544)	

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2006

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 2006

1 Accounting policies (continued)

1 9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1 10 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	2006 £	2005 £
Operating profit is stated after charging		
Depreciation of tangible assets	96,210	107,811
Loss on disposal of tangible assets	-	1,800
Auditors' remuneration	30,000	29,500
	<u> </u>	<u> </u>

4 Investment income	2006 £	2005 £
Bank interest	16,317	23,094
	<u> </u>	<u> </u>

5 Amounts written off investments	2006 £	2005 £
Amounts written off investments in prior years written back		
- current assets	(32,000)	-
	<u> </u>	<u> </u>
See note 12 for full details of investment		

6 Interest payable	2006 £	2005 £
On bank loans and overdrafts	150,100	32,325
	<u> </u>	<u> </u>

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

7 Taxation	2006 £	2005 £
Domestic current year tax		
U K corporation tax	104,482	526,774
	<hr/>	<hr/>
Current tax charge	104,482	526,774
	<hr/> <hr/>	<hr/> <hr/>
Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	275,068	1,669,220
	<hr/>	<hr/>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 30.00%)	82,520	500,766
	<hr/>	<hr/>
Effects of		
Non deductible expenses	10,803	15,527
Depreciation add back	28,863	32,883
Capital allowances	(19,576)	(22,402)
Adjustments to previous periods	11,472	-
Other tax adjustments	(9,600)	-
	<hr/>	<hr/>
	21,962	26,008
	<hr/>	<hr/>
Current tax charge	104,482	526,774
	<hr/> <hr/>	<hr/> <hr/>

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

8 Tangible fixed assets	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2006	1,622,326	437,786	437,859	77,854	2,575,825
Additions	-	9,262	23,300	-	32,562
At 31 December 2006	1,622,326	447,048	461,159	77,854	2,608,387
Depreciation					
At 1 January 2006	154,150	346,623	314,020	38,818	853,611
Charge for the year	27,442	23,615	35,394	9,759	96,210
At 31 December 2006	181,592	370,238	349,414	48,577	949,821
Net book value					
At 31 December 2006	1,440,734	76,810	111,745	29,277	1,658,566
At 31 December 2005	1,468,176	91,163	123,839	39,036	1,722,214

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

	£
Cost	
At 1 January 2006 & at 31 December 2006	573,892
Depreciation based on cost	
At 1 January 2006	91,969
Charge for the year	13,346
At 31 December 2006	105,315
Net book value	
At 31 December 2006	468,577
At 31 December 2005	481,923

The freehold property from which the company operates was valued in April 2004 at £1,430,000 by Ringley Chartered Surveyors, on the basis of open market value. The cost or revaluation of the freehold buildings on which depreciation is charged amounted to £1,180,000 (2005- £1,180,000).

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 £290,000.

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

9 Fixed asset investments

	Shares in subsidiary undertakings £
Cost or valuation	
At 1 January 2006 & at 31 December 2006	2,664,975
Net book value	
At 31 December 2006	2,664,975
At 31 December 2005	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) S A	Romania	ordinary	99.97
Alison Hayes Moda S R L	Romania	ordinary	99.80
Alison Hayes (Brittanica) S A	Romania	ordinary	100.00

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 2006 £	Profit for the year 2006 £
	Principal activity		
Alison Hayes (Romania) S A	Manufacture of garments	4,200,491	861,472
Alison Hayes Moda S R L	Design of samples	372,103	337,353
Alison Hayes (Brittanica) S A	Handling and distribution	579,193	145,376

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

10 Stocks and work in progress	2006 £	2005 £
Raw materials and consumables	1,280,010	1,638,999
Work in progress	216,597	197,201
Finished goods and goods for resale	89,066	722,932
	1,585,673	2,559,132

11 Debtors	2006 £	2005 £
Trade debtors	4,424,086	2,395,382
Amounts owed by subsidiary undertakings	3,477,491	1,651,491
Corporation tax	5,141	-
Other debtors	107,289	128,739
Prepayments and accrued income	117,315	100,438
	8,131,322	4,276,050

Amounts falling due after more than one year and included in the debtors above are

	2006 £	2005 £
Amounts owed by group undertakings	3,477,491	1,651,491

12 Current asset investments	2006 £	2005 £
Listed investments	50,000	18,000

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 £99,500 (cost- £50,000). As a result of the market value, the shares were written back to original cost.

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

13 Creditors, amounts falling due within one year	2006 £	2005 £
Bank loans and overdrafts	3,012,665	185,144
Trade creditors	3,339,234	2,758,701
Amounts owed to parent and fellow subsidiary undertakings	165,931	218,357
Amounts owed to subsidiary undertakings	314,075	122,542
Corporation tax	-	330,096
Other taxes and social security costs	232,630	317,311
Directors' current accounts	7,154	119,727
Other creditors	2,268	15,433
Accruals and deferred income	557,249	618,915
	7,631,206	4,686,226

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	2006 £	2005 £
Other loans	317,156	327,157
Analysis of loans		
Not wholly repayable within five years other than by instalments		
Amount owed to group undertaking	317,156	327,157
	317,156	327,157
Loan maturity analysis		
In more than five years	317,156	327,157

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.

	2006 £	2005 £
Contributions payable by the company for the year	69,975	32,250

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

16	Share capital	2006		2005
		£		£
	Authorised			
	1,000,000 ordinary shares of £1 each	1,000,000		1,000,000
		<u> </u>		<u> </u>
	Allotted, called up and fully paid			
	1,000,000 ordinary shares of £1 each	1,000,000		1,000,000
		<u> </u>		<u> </u>
17	Statement of movements on reserves			
		Revaluation		Profit and
		reserve		loss
				account
		£		£
	Balance at 1 January 2006	856,108		4,557,637
	Retained profit for the year	-		170,586
		<u> </u>		<u> </u>
	Balance at 31 December 2006	856,108		4,728,223
		<u> </u>		<u> </u>
18	Reconciliation of movements in shareholders' funds			
		2006		2005
		£		£
	Profit for the financial year	170,586		1,142,446
	Opening shareholders' funds	6,413,745		5,271,299
		<u> </u>		<u> </u>
	Closing shareholders' funds	6,584,331		6,413,745
		<u> </u>		<u> </u>
19	Directors' emoluments			
		2006		2005
		£		£
	Emoluments for qualifying services	593,206		956,679
	Company pension contributions to money purchase schemes	63,975		30,375
		<u> </u>		<u> </u>
		657,181		987,054
		<u> </u>		<u> </u>
	The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 3 (2005 - 3)			
	Emoluments disclosed above include the following amounts paid to the highest paid director			
	Emoluments for qualifying services	223,960		341,915
	Company pension contributions to money purchase schemes	54,600		21,000
		<u> </u>		<u> </u>

ALISON HAYES (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2006

20 Employees

Number of employees

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

	2006 Number	2005 Number
Employees	88	87

Employment costs

	2006 £	2005 £
Wages and salaries	3,181,654	3,431,893
Social security costs	273,301	322,139
Other pension costs	69,975	32,250
	<u>3,524,930</u>	<u>3,786,282</u>

21 Ultimate parent company

The ultimate parent company is Synek Limited and it owns 100% of the ordinary share capital of Alison Hayes (UK) Limited. 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) S A, Alison Hayes Moda S L R, and Alison Hayes (Brittanica) S A subsidiary undertakings. The production costs paid were £13,710,372 (2005- £13,062,044).