

Company Registration No. 4200853

**BENDON UK LIMITED**

**Report and Financial Statements**

**31 March 2008**

THURSDAY



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COMPANIES HOUSE

# **BENDON UK LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2008**

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# **BENDON UK LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2008**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

Mark Flay (appointed 25 August 2008)  
Leslie Archer (appointed 25 August 2008)  
Bruce McEwen (resigned 25 May 2008)  
George Brooks (appointed 10 September 2007, resigned 25 August 2008)  
Stefan Preston (resigned 17 August 2007)

#### **COMPANY SECRETARY**

Andrew Telfer

#### **REGISTERED OFFICE**

Third Floor  
Axtell House  
23-24 Warwick Street  
London  
W1B 5NQ

#### **BANKERS**

Lloyds TSB Bank plc  
39 Threadneedle Street  
London  
EC2R 8AU

#### **SOLICITORS**

Lawrence Graham  
190 Strand  
London  
WC2R 1JN

#### **AUDITORS**

Deloitte LLP  
Chartered Accountants and Registered Auditors  
Leeds

# **BENDON UK LIMITED**

## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 March 2008.

### **BUSINESS REVIEW AND PRINCIPAL ACTIVITY**

The company commenced trading in August 2001, its principal activity being a wholesaler of branded lingerie.

The results for the year are set out on page 6. Turnover has increased by 1.4% to £7,970,346 and operating profit has decreased from £415,068 to £373,356. The directors believe the performance of the business in the year to be satisfactory and that future performance will continue to be reasonable.

The balance sheet on page 7 of the financial statements shows the company's financial position at the year end. There has been an improvement in net asset terms with the prior year. Details of amounts owed to group undertakings are shown in note 12.

The company has continued to perform well during the year. Measurement against last year's performance is a largely unnecessary exercise due to the evolving nature of its Brand portfolio. Like-for-like business was again strong for the core Brand and will continue to be so. Additional Brands will continue to add value and help to minimise reliance on key products.

The company continues to invest in its sources of production and product development. The directors regard this investment as necessary for continuing success in the medium to long term future.

The directors do not propose the declaration of a dividend (2007: £nil).

### **PRINCIPAL RISK AND UNCERTAINTIES**

Competitive pressure in the UK is a continuing risk for the company. The company manages this risk by providing added value services to its customers.

Trade pressure is continuing to increase with more and more entries by competing Brands into the company's core markets. The company however, continues to spread its sales base and its continuing mix of customers in order to negate the effect of market dilution.

The company has sales in Euro and continues to benefit from exchange rates. Exposure to exchange rates for purchases, all of which are controlled by group functions within the head office are minimised through hedging operations.

### **CREDITOR PAYMENT POLICY**

The company's policy concerning the payment of its trade creditors is to agree the terms of payment with each supplier before trading commences, and to comply with such terms.

### **DIRECTORS**

Directors serving during the year are set out below:

Mark Flay (appointed 25 August 2008)  
Leslie Archer (appointed 25 August 2008)  
Bruce McEwen (resigned 25 May 2008)  
George Brooks (appointed 10 September 2007, resigned 25 August 2008)  
Stefan Preston (resigned 17 August 2007)

### **SUPPLIER PAYMENT POLICY**

It is the company's normal practice to make payments to suppliers in accordance with agreed terms provided that the supplier has performed in accordance with the relevant terms and conditions.

### **EMPLOYMENT POLICIES**

Employees of the company are regularly consulted by Directors and Managers and kept informed of matters affecting them and the overall development of the company.

### **ENVIRONMENT**

The company recognises the importance of environmental responsibility.

## **BENDON UK LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **DISCLOSURE OF RELEVANT INFORMATION TO AUDITORS**

Each of the persons who is a director at the date of approval of this report confirms that:

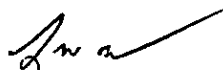
- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

#### **AUDITORS**

On 1 December 2008 Deloitte & Touche LLP changed its name to Deloitte LLP. Accordingly, Deloitte LLP have notified their willingness to continue as auditors of the company and their re-appointment will be proposed at the annual general meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



Mr L Archer  
Director

30 December 2008

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare *financial statements for each financial year*. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 that 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BENDON UK LIMITED**

We have audited the financial statements of Bendon UK Limited for the year ended 31 March 2008 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes 1 to 21. 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 directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom 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 in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we 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 the 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.

### **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 March 2008 and of its profit for the year then ended;
- the financial statements 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.

*Deloitte LLP*

**Deloitte LLP**  
Chartered Accountants and Registered Auditors  
Leeds

11 February 2009

# BENDON UK LIMITED

## PROFIT AND LOSS ACCOUNT 31 March 2008

	Note	2008 £	2007 £
<b>TURNOVER</b>	2	7,970,346	7,860,892
Cost of sales		<u>(4,160,662)</u>	<u>(4,124,176)</u>
<b>Gross profit</b>		3,809,684	3,736,716
Administrative expenses		<u>(3,436,328)</u>	<u>(3,321,648)</u>
<b>OPERATING PROFIT</b>	3	373,356	415,068
Exceptional items:			
Loss on the disposal of tangible fixed assets	4	<u>-</u>	<u>(18,806)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE FINANCE CHARGES</b>		373,356	396,262
Interest receivable and similar income	6	6,297	5,209
Interest payable and similar charges	7	<u>(91,887)</u>	<u>(127,609)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		287,766	273,862
Tax on profit on ordinary activities	8	<u>-</u>	<u>-</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>	15,16	<u><u>287,766</u></u>	<u><u>273,862</u></u>

All activities derive from continuing operations.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains and losses for the current or preceding financial year other than as stated in the profit and loss account. Accordingly no separate statement of total recognised gains and losses has been presented.



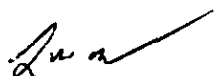
# BENDON UK LIMITED

## BALANCE SHEET 31 March 2008

	Note	2008 £	2007 £
<b>FIXED ASSETS</b>			
Tangible fixed assets	9	<u>117,971</u>	<u>119,001</u>
<b>CURRENT ASSETS</b>			
Stock	10	2,284,244	1,535,560
Debtors	11	1,295,015	1,797,357
Cash at bank and in hand		<u>334,765</u>	<u>132,745</u>
		3,914,024	3,465,662
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(3,037,029)</u>	<u>(2,877,463)</u>
<b>NET CURRENT ASSETS</b>		<u>876,995</u>	<u>588,199</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		994,966	707,200
<b>CREDITORS: amounts falling due after more than one year</b>	13	<u>(994,002)</u>	<u>(994,002)</u>
<b>NET ASSETS/(LIABILITIES)</b>		<u>964</u>	<u>(286,802)</u>
<b>SHARE CAPITAL AND RESERVES</b>			
Called up share capital	14	300,000	300,000
Profit and loss account	15	<u>(299,036)</u>	<u>(586,802)</u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>	16	<u>964</u>	<u>(286,802)</u>

These financial statements were approved by the Board of Directors on 30 December 2008.

Signed on behalf of the Board of Directors



Mr L Archer

Director

# **BENDON UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2008**

### **1. ACCOUNTING POLICIES**

The financial statements are prepared under the historical cost convention in accordance with the reporting requirements of the Companies Act 1985, together with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently in both the current and previous financial year, are described below.

#### **Cashflow statement**

The company is exempt from the requirement of FRS 1 (Revised) to prepare a cash flow statement, as it is a wholly owned subsidiary undertaking of a group which prepares publicly available consolidated financial statements.

#### **Operating leases**

Rental costs under operating leases are charged to the profit and loss account as the leasing charges are incurred.

#### **Tangible fixed assets**

Fixed assets are stated at cost less provision for any impairment and depreciation. Depreciation is provided on a straight line basis over the estimated useful lives of the assets.

The useful lives used to calculate depreciation are as follows:

Leasehold land and buildings	over the lease term
Plant and machinery	3 to 5 years

#### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost includes all appropriate production overheads. Net realisable value is the actual or estimated selling price less all further costs to completion and all costs to be incurred in marketing, selling and distribution.

#### **Taxation**

*Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.*

Deferred taxation is provided in full on all timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no binding commitment to sell the asset, or on unremitted earnings of subsidiaries and associates where there is no commitment to remit these earnings. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

#### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated at the average exchange rate for the period. All exchange differences are dealt with through the profit and loss account.

### **2. TURNOVER**

Turnover represents sales less returns and discounts and excludes Value Added Tax and related wholly to the UK and principal activity. Revenue is recognised on delivery.

# BENDON UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2008

### 3. OPERATING PROFIT

	2008 £	2007 £
Operating profit is stated after charging:		
Depreciation on owned assets (note 9)	40,171	41,552
Operating leases;		
Land and buildings	91,490	91,490
Auditors' remuneration;		
Audit services	15,000	13,500
	<u>15,000</u>	<u>13,500</u>

### 4. EXCEPTIONAL ITEMS

	2008 £	2007 £
Loss on disposal of plant and machinery	-	(18,806)
	<u>-</u>	<u>(18,806)</u>

### 5. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2008 £	2007 £
Staff costs during the year		
Wages and salaries	887,105	660,113
Social Security costs	112,876	62,597
	<u>999,981</u>	<u>722,710</u>
Average number of persons employed during the year (including directors)	No.	No.
Sales and administration	24	19
	<u>24</u>	<u>19</u>

None of the directors received any emoluments in respect of their capacity as directors during the year.

Directors' remuneration was borne by other group companies. It is not possible to identify that portion of the total remuneration paid in relation to services to Bendon UK Limited in the current or previous financial year. Total remuneration paid to the directors by the group is available in the financial statements of the immediate parent company as set out in note 21.

At the year end, none (2007: none) of the directors was a member of a company pension scheme.

### 6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2008 £	2007 £
Bank interest received	6,297	5,209
	<u>6,297</u>	<u>5,209</u>

# BENDON UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2008

### 7. INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £	2007 £
Amounts payable to parent company	91,887	127,609

### 8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2008 £	2007 £
UK Corporation tax	-	-

The standard rate of current tax for the year based on the UK standard rate of corporation tax is 30%. The current year and prior year tax charge is nil, for the reasons set out in the following reconciliation:

	2008 £	2007 £
Profit on ordinary activities before taxation	287,766	273,862
Taxation charge on profit on ordinary activities at standard rate	86,330	82,159
Factors affecting charge:		
Expenses not deductible for tax purposes	1,520	3,463
Movement on deferred tax asset not recognised	(87,850)	(85,622)
	-	-

A change in the corporation tax rate for future accounting periods from 30% to 28% was announced after the balance sheet date. This change in tax legislation has now been substantially enacted and will come into effect from 1 April 2008.

### 9. TANGIBLE FIXED ASSETS

	Short leasehold land and buildings £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 April 2007	7,442	235,137	242,579
Additions	-	39,765	39,765
Disposals	-	(1,265)	(1,265)
At 31 March 2008	7,442	273,637	281,079
<b>Depreciation</b>			
At 1 April 2007	1,488	122,080	123,568
Charge for the year	1,489	38,682	40,171
On disposals	-	(631)	(631)
At 31 March 2008	2,977	160,131	163,108
<b>Net Book Value</b>			
At 31 March 2008	4,465	113,506	117,971
At 31 March 2007	5,954	113,057	119,011

# BENDON UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS Year ended 31 March 2008

### 10. STOCK

	2008 £	2007 £
Finished goods and goods for resale	2,284,244	1,535,560

The difference between purchase price or production cost of stocks and their replacement cost is not material.

### 11. DEBTORS

	2008 £	2007 £
Amounts falling due within one year		
Trade debtors	1,129,712	1,554,444
Amounts owed from parent company	60,702	121,150
Other debtors	104,601	121,763
	<u>1,295,015</u>	<u>1,797,357</u>

### 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £	2007 £
Trade creditors	238,840	126,529
Amounts owed to parent company	1,429,744	1,790,743
Taxation and social security	139,959	108,965
Accruals	1,228,486	851,226
	<u>3,037,029</u>	<u>2,877,463</u>

### 13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2008 £	2007 £
Debenture	994,002	994,002

### 14. CALLED UP SHARE CAPITAL

	2008 £	2007 £
Ordinary shares of £1 each, authorised, issued and fully paid		
1,000,000 Authorised	1,000,000	1,000,000
300,000 Called up, allotted and fully paid	300,000	300,000

### 15. RESERVES

	Profit and loss reserve £
Balance as at 1 April 2007	(586,802)
Retained profit for the financial year	287,766
Balance as at 31 March 2008	<u>(299,036)</u>

# BENDON UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 March 2008

### 16. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit for the financial year	287,766	273,862
Opening equity shareholders' deficit	(286,802)	(560,664)
Closing equity shareholders' funds/(deficit)	<u>964</u>	<u>(286,802)</u>

### 17. OPERATING LEASES

At 31 March 2008, the company was committed to making the following payments during the next year in respect of operating leases:

	Land and buildings 31 March 2008 £	Land and buildings 31 March 2007 £
Leases which expire:		
Within one year	91,490	91,490
Within one to two years	91,490	91,490
Within two to five years	274,470	274,470
Greater than five years	<u>365,960</u>	<u>457,450</u>

### 18. COMMITMENTS AND CONTINGENCIES

Hong Kong and Shanghai Banking Corporation Limited (New Zealand) has a fixed and floating charge over the undertaking and all property and assets present and future, in respect of all monies due from the company.

### 19. PROVISIONS FOR LIABILITIES

	2008		2007	
	Provided £	Unprovided £	Provided £	Unprovided £
Deferred taxation				
Capital allowances	4,000	-	-	(4,000)
Trading losses	(4,000)	(59,000)	-	(145,000)
Short term timing differences	-	-	-	(3,000)
	<u>-</u>	<u>(59,000)</u>	<u>-</u>	<u>(152,000)</u>

The above unprovided deferred tax assets would be recovered through reduced tax charges on future taxable profits.

## **BENDON UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 March 2008**

#### **20. RELATED PARTY TRANSACTIONS**

The company has taken advantage of the exemption contained in FRS 8 'Related Party Transactions' not to disclose transactions with other group companies.

There were no other related party transactions in the current or prior financial year.

#### **21. PARENT COMPANY AND ULTIMATE CONTROL**

The immediate parent company and smallest group for which consolidated accounts are prepared is Bendon Group Limited, a company registered and incorporated in New Zealand.

The ultimate parent company and controlling entity and largest group for which consolidated accounts are prepared is Logan Corporation Limited, a company incorporated in New Zealand. Copies of the consolidated financial statements can be obtained from Logan Corporation Limited, Level 9, Walker Wayland Centre Sixty Eight Shortland Street, Auckland 1010, New Zealand.