

Co's House

SUNSPEL MENSWEAR LIMITED

Financial Statements

19 January 1998

**Deloitte & Touche
1 Woodborough Road
Nottingham
NG1 3FG**



FINANCIAL STATEMENTS

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Chartered Accountants

Deloitte & Touche
1 Woodborough Road
Nottingham NG1 3FG

Telephone: National 0115 950 0511
International +44 115 950 0511
Fax (Gp. 3): 0115 959 0060
DX 10064

AUDITORS' REPORT TO SUNSPEL MENSWEAR LIMITED PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5 together with the full financial statements of Sunspel Menswear Limited prepared under section 226 of the Companies Act 1985 for the year ended 19 January 1998.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with sections 246(5) and (6) of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with those sections and whether the abbreviated accounts have been properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under sections 247 and 247A of the Companies Act 1985 to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, in respect of the year ended 19 January 1998, and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with those provisions.

Deloitte & Touche

Chartered Accountants and
Registered Auditors

24 August 1998



BALANCE SHEET
19 January 1998

	Note	1998 £	1997 £
FIXED ASSETS			
Tangible assets	2	77,757	70,428
Investments	3	50	50
		<u>77,807</u>	<u>70,478</u>
CURRENT ASSETS			
Stocks		248,824	237,332
Debtors	4	129,569	117,337
Cash at bank and in hand		249,397	232,355
		<u>627,790</u>	<u>587,024</u>
CREDITORS: amounts falling due within one year		<u>(141,212)</u>	<u>(150,515)</u>
NET CURRENT ASSETS		<u>486,578</u>	<u>436,509</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>564,385</u>	<u>506,987</u>
CAPITAL AND RESERVES			
Called up share capital	5	16,789	16,789
Share premium account		122,543	122,543
Profit and loss account		425,053	367,655
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>564,385</u>	<u>506,987</u>

These accounts have been prepared in accordance with the special provisions relating to small companies under section 246 of, and schedule 8 to, the Companies Act 1985.

Signed on behalf of the Board of Directors

P J M Hill
P J M HILL 19th August 1998
Director

NOTES TO THE ACCOUNTS
Year ended 19 January 1998

1. ACCOUNTING POLICIES

The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Tangible fixed assets

Depreciation is not provided on freehold land. On all other assets it is provided on cost in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Plant and machinery, fixtures and fittings	10-15% per annum
Motor vehicles	20% per annum
Freehold buildings	2% per annum

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

Stocks

Stocks and work-in-progress are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and production overheads appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant marketing, selling and distribution costs.

Deferred taxation

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxation purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that tax will arise. Advance corporation tax, which is available to reduce the corporation tax payable on future profits, is deducted from the provision for deferred taxation.

Pension costs

The company operates money purchase schemes in respect of certain employees. Contributions are charged to the profit and loss account as they accrue.



NOTES TO THE ACCOUNTS
Year ended 19 January 1998

2. TANGIBLE FIXED ASSETS

	£
Cost	
At 20 January 1997	165,213
Additions	17,147
Disposals	(800)
	<u>181,560</u>
At 19 January 1998	<u>181,560</u>
Accumulated depreciation	
At 20 January 1997	94,785
Charge for the year	9,818
Disposals	(800)
	<u>103,803</u>
At 19 January 1998	<u>103,803</u>
Net book value	
At 19 January 1998	<u>77,757</u>
At 19 January 1997	<u>70,428</u>

3. INVESTMENTS HELD AS FIXED ASSETS

	£	1998 £	£	1997 £
a) A 50% interest in Sunspel (Services) Limited at a cost of:		50		50
This related company does not trade and its only assets are certain trade marks costing £100.				
b) Investment in subsidiary company				
10,000 deferred shares of £1 fully paid	111,030		111,030	
100 ordinary shares of £1 fully paid	100		100	
	<u>111,130</u>		<u>111,130</u>	
Loan account	(111,130)		(111,130)	
	<u>-</u>		<u>-</u>	
		<u>50</u>		<u>50</u>

The wholly owned subsidiary company, Sunspel (Knitted) Limited has not traded during the year. The net assets of Sunspel (Knitted) Limited are £113,507 (1997 - £113,507). It is registered in England.

The company is entitled to the exemption conferred by Section 248 of the Companies Act 1985 from the requirements to prepare group accounts.



NOTES TO THE ACCOUNTS
Year ended 19 January 1998

4. DEBTORS

Advance corporation tax of £6,716 (1997: £6,925) is due after one year. All other debtors are due within one year.

5. CALLED UP SHARE CAPITAL

	1998 £	1997 £
Authorised		
16,789 ordinary shares of £1 each	16,789	16,789
Called up, allotted and fully paid		
16,789 ordinary shares of £1 each	16,789	16,789

6. CONTROLLING PARTY

The company is controlled by Mr P J M Hill, the managing director, who owns 95% of the issued share capital of the company.

7. RELATED PARTY TRANSACTIONS

Mr P J de Cusse Hill, a director, is also a director of Sunspel Boxer Limited. There were sales of £386 to and purchases of £1,009 from Sunspel Boxer Limited and there is a creditor balance of £381 at 19 January 1998.

There are balances totalling £113,507 (1997: £113,507) due to Sunspel (Knitted) Limited, a non-trading subsidiary company. There were no transactions with the company in the year.