

Andre De Brett Plc

Report and Accounts

30 June 1998

Registered No. 941775



Andre De Brett Plc

Registered No. 941775

DIRECTOR

J A Steiger
N Mellor
D J Whittle

SECRETARY

V L Thompson

AUDITORS

Ernst & Young
PO Box 61
Cloth Hall Court
14 King Street
Leeds
LS1 2JN

REGISTERED OFFICE

Bowling Green Mills
Bingley
West Yorkshire
BD16 4BH

DIRECTORS' REPORT

The directors present their report and the accounts for the year ended 30 June 1998.

RESULTS AND DIVIDENDS

The profit after taxation for the year ended 30 June 1998 amounted to £652,000 (1997 - £276,000). The directors do not recommend the payment of a dividend and accordingly the profit for the year has been transferred to reserves.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity continues to be direct mail order of clothing.

Both the levels of business and the year end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

YEAR 2000 COMPLIANCE

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers.

A company-wide programme has been initiated by the Board to address the impact of the Year 2000 on our business. Resources have been allocated and the Board receives regular reports on progress.

Prioritised action plans have been developed which are designed to address the key risks in advance of critical dates and with minimal disruption to the underlying business processes. Priority is given to those systems which could cause a significant financial or legal impact on the company's business if they were to fail.

The risk analysis also considers the impact on our business of Year 2000 related failures by significant suppliers. In appropriate cases we have initiated formal communication with these other parties to determine their efforts to minimise the effects of this problem.

Given the complexity of the problem, it is not possible for any organisation to guarantee that no Year 2000 problems will remain. The Board believes that it will achieve an acceptable state of readiness and has also provided resources to deal promptly with significant subsequent failures or issues that might arise.

Much of the cost of implementing the action plans will be subsumed into the recurring activities of the departments involved. Additional current year and outstanding expenditure in regard to these action plans is not material.

DIRECTORS AND THEIR INTERESTS

The director who held office during the year is listed on page 2.

Mr K Mullins who served in office during the year resigned on 6 November 1998.

Mr N Mellor and Mr D J Whittle were appointed as directors of the company on 15 March 1999.

None of the directors had any interest in the shares of the company or any other group company.

DIRECTORS' REPORT

SUPPLIERS

It is the company's policy to abide by the terms of payment agreed with suppliers in respect of all goods and services properly invoiced to the company. The terms may be the suppliers' standard terms or such other agreed terms for specific transactions, as appropriate.

The number of days' purchases in creditors at 30 June 1998 was nil.

AUDITORS

A resolution to reappoint Ernst & Young as auditors will be proposed at the Annual General Meeting.
By order of the board.


V L Thompson
Secretary

17/3/1999

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 accounts 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.

REPORT OF THE AUDITORS
to the members of Andre De Brett Plc

We have audited the accounts on pages 7 to 12, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

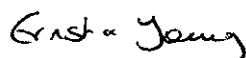
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 30 June 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young
Registered Auditors
Leeds

23 March 1999

Andre De Brett Plc

PROFIT AND LOSS ACCOUNT for the year ended 30 June 1998

	<i>Notes</i>	<i>1998 £'000</i>	<i>1997 £'000</i>
TURNOVER	2	18,843	17,717
Cost of sales		16,904	16,654
GROSS PROFIT		1,939	1,063
Administrative expenses		420	398
OPERATING PROFIT		1,519	665
Interest receivable		27	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	1,546	665
Taxation	5	(894)	(389)
RETAINED PROFIT FOR THE YEAR	11	652	276

A statement of movements in shareholders' funds is given in note 11.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the retained profit for the year.

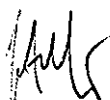
Andre De Brett Plc

BALANCE SHEET at 30 June 1998

	Notes	1998 £'000	1997 £'000
FIXED ASSETS			
Investments	6	178	178
CURRENT ASSETS			
Stocks	7	1,026	1,158
Debtors	8	4,152	3,784
Cash at bank and in hand		78	98
		5,256	5,040
CREDITORS: amounts falling due within one year	9	2,945	3,381
NET CURRENT ASSETS		2,311	1,659
TOTAL ASSETS LESS CURRENT LIABILITIES		2,489	1,837
CAPITAL AND RESERVES			
Called up share capital	10	800	800
Share premium account	11	174	174
Profit and loss account	11	1,515	863
EQUITY SHAREHOLDERS' FUNDS		2,489	1,837

J A Steiger
Director

17 June 1999



NOTES TO THE ACCOUNTS
at 30 June 1998

1. ACCOUNTING POLICIES

Accounting convention

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Cashflow statement

The company is a wholly owned subsidiary of Damart SA, and has taken advantage of the exemption under Financial Reporting Standard 1 (revised) from presenting its own cash flow statement.

Consolidated accounts

The company, being a wholly owned subsidiary of Thermawear Limited, which publishes consolidated accounts, has taken advantage of the exemption permitted under S228 of the Companies Act 1985 not to present consolidated accounts.

Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard 8 from disclosing transactions with related parties that are part of Damart SA group.

Stocks

Stock is stated at the lower of cost and net realisable value.

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties. All turnover arose in the United Kingdom and was derived from continuing operations.

3. DIRECTORS' EMOLUMENTS

None of the directors received any emoluments from the company during the year (1997 - Nil).

4. OPERATING PROFIT

This is stated after charging/(crediting):

	1998 £'000	1997 £'000
Auditors' remuneration - audit	4	4
- non-audit	1	1
Reimbursement of VAT following a change in legislation	(484)	-
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS
at 30 June 1998

5. TAXATION

	1998 £'000	1997 £'000
Based on profit for the year:		
Corporation tax at 31% (1997 - 32.5%)		
Current	894	389

The tax charge for the year includes a payment to a fellow subsidiary in respect of group relief, at one hundred per cent of the tax loss claim of £416,000.

6. FIXED ASSETS INVESTMENTS

	<i>Interests in subsidiaries £'000</i>
Cost:	
At 1 July 1997 and 30 June 1998	464
Amounts written off:	
At 1 July 1997 and 30 June 1998	286
Net book value:	
At 1 July 1997 and 30 June 1998	178

The company has a number of dormant subsidiaries.

In the opinion of the directors, the aggregate value of its investments in subsidiary undertakings (including amounts owed by subsidiary undertakings) is not less than the amount at which they are stated in the accounts.

7. STOCKS

	1998 £'000	1997 £'000
Goods for resale	1,026	1,158

8. DEBTORS

	1998 £'000	1997 £'000
Trade debtors	4,118	3,776
Amounts owed by group companies	7	8
Prepayments	27	-
	4,152	3,784

NOTES TO THE ACCOUNTS
at 30 June 1998

9. CREDITORS: amounts falling due within one year

	1998 £'000	1997 £'000
Trade creditors	131	147
Amounts owed to group undertakings	2,039	1,976
Corporation tax	-	134
Other taxation and social security payable	627	973
Accruals and deferred income	148	151
	<u>2,945</u>	<u>3,381</u>

10. SHARE CAPITAL

	1998 000's	Authorised 1997 000's	Allotted, called up and fully paid 1998 £'000	1997 £'000
Ordinary shares of 10p each	10,000	10,000	800	800

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
At 30 June 1996	800	174	587	1,561
Profit for the year	-	-	276	276
At 30 June 1997	800	174	863	1,837
Profit for the year	-	-	652	652
At 30 June 1998	800	174	1,515	2,489

NOTES TO THE ACCOUNTS
at 30 June 1998

12. CONTINGENT LIABILITIES

The company has given an unlimited guarantee in respect of the UK parent company's bank liabilities and those of its fellow subsidiary undertakings. This stood at £4,364,000 at the year end.

13. ULTIMATE AND IMMEDIATE PARENT UNDERTAKING

The company's immediate parent undertaking and smallest undertaking for which consolidated financial statements are produced is Thermawear Limited.

The company's ultimate holding company and controlling party is Damart SA, which is incorporated in France. Copies of Damart SA group accounts can be obtained from 25, Avenue de la Fosse-aux-chênes 59100 Roubaix, France.