

Flag Clothing Limited

Abbreviated Accounts

30 June 1998

Registration number 2717552



Flag Clothing Limited
Auditors' Report

Auditors' report to Flag Clothing Limited
under section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of the company for the year ended 30 June 1998 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are 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 financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

A handwritten signature in black ink, appearing to read 'Simson Jones', with a long horizontal line extending from the end of the signature.

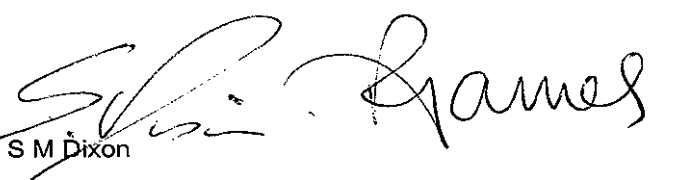
Simson Jones
Chartered Accountants
Registered Auditors

15 April 1999

Flag Clothing Limited
Abbreviated Balance Sheet
as at 30 June 1998

	Notes	1998 £	1997 £
Fixed assets			
Intangible fixed assets	2	4,107	6,160
Tangible assets	3	16,071	11,206
		<u>20,178</u>	<u>17,366</u>
Current assets			
Stocks		175,961	125,321
Debtors		58,633	51,551
Cash at bank and in hand		91,719	137,398
		<u>326,313</u>	<u>314,270</u>
Creditors: amounts falling due within one year		<u>(169,602)</u>	<u>(243,497)</u>
Net current assets		<u>156,711</u>	<u>70,773</u>
Total assets less current liabilities		<u>176,889</u>	<u>88,139</u>
		<u>176,889</u>	<u>88,139</u>
Capital and reserves			
Called up share capital	4	76	76
Capital redemption reserve		24	24
Profit and loss account		176,789	88,039
		<u>176,889</u>	<u>88,139</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities.


R James and S M Dixon
Director

Approved by the board on 15 April 1999

Flag Clothing Limited
Notes to the Abbreviated Accounts
at 30 June 1998

1 Accounting policies

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Intangible fixed assets

Intangible fixed assets are stated at cost and are to be amortised over a three year period.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Fixtures and fittings	over 4 years
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Stocks

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

Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected in the foreseeable future, calculated at the rate at which it is estimated that the tax will be payable.

Foreign currencies

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

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account on a straight line basis over the period of the lease.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

Flag Clothing Limited
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at 30 June 1998

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Intangible fixed assets	£
Cost	
At 1 July 1997	6,160
At 30 June 1998	<u>6,160</u>
Amortisation	
Provided during the year	2,053
At 30 June 1998	<u>2,053</u>
Net book value	
At 30 June 1998	<u>4,107</u>
At 30 June 1997	<u>6,160</u>
3 Tangible fixed assets	£
Cost	
At 1 July 1997	33,052
Additions	11,109
At 30 June 1998	<u>44,161</u>
Depreciation	
At 1 July 1997	21,846
Charge for the year	6,244
At 30 June 1998	<u>28,090</u>
Net book value	
At 30 June 1998	<u>16,071</u>
At 30 June 1997	<u>11,206</u>

Flag Clothing Limited
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at 30 June 1998

4 Share capital			1998	1997
			£	£
Authorised:				
Ordinary shares of £1 each			<u>100</u>	<u>100</u>
	1998	1997	1998	1997
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each			<u>76</u>	<u>76</u>