

**Company Registration No. 1344385**

**KANE & RAYMOND LIMITED**

**Report and Financial Statements**

**19 January 2003**

**Deloitte & Touche LLP**  
Nottingham



**REPORT AND FINANCIAL STATEMENTS**

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**DIRECTOR'S REPORT**

The director presents his annual report and the audited financial statements for the year ended 19 January 2003.

**ACTIVITIES**

The principal activity of the company is the retail of men's underwear.

**DIRECTOR'S INTERESTS**

The director who served during the year and his interest in the issued share capital of the company was as follows:

	Ordinary shares of £1 each	
	2003	2002
P J de Cusse Hill	1	1

**DIRECTOR'S STATEMENT OF RESPONSIBILITIES**

United Kingdom company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

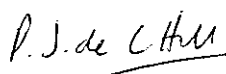
The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

On 1 August 2003, Deloitte & Touche, the company's auditors transferred their business to Deloitte & Touche LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The company's consent has been given to treating the appointment of Deloitte & Touche as extending to Deloitte & Touche LLP with effect from 1 August 2003 under the provisions of section 26(5) of the Companies Act 1989. A resolution to re-appoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions relating to small companies under section 246 of the Companies Act 1985.

Approved and signed by the Director



P J de CUSSE HILL

Director

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KANE &  
RAYMOND LIMITED**

We have audited the financial statements of Kane & Raymond Limited for the year ended 19 January 2003 which comprise the profit and loss account, the balance sheet and the related notes 1 to 10. 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**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards

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. We also report if, in our opinion, the directors' report is *not consistent with the financial statements, if 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 transactions with the company is not disclosed.*

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

**Basis of opinion**

We conducted our audit in accordance with United Kingdom 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 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 of the state of the company's affairs as at 19 January 2003 and of the profit of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche LLP*  
**Deloitte & Touche LLP**

Chartered Accountants and  
Registered Auditors

Nottingham

*6<sup>th</sup> November 2003*

**PROFIT AND LOSS ACCOUNT**  
**Year ended 19 January 2003**

	Note	2003 £	2002 £
<b>TURNOVER FROM CONTINUING OPERATIONS</b>	2	5,602	7,223
Cost of sales		<u>(2,676)</u>	<u>(3,810)</u>
Gross profit		2,926	3,413
Distribution costs		<u>(2,676)</u>	<u>(2,729)</u>
<b>OPERATING PROFIT FROM CONTINUING OPERATIONS BEING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	250	684
Tax on profit on ordinary activities	5	<u>(7)</u>	<u>(86)</u>
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION BEING RETAINED PROFIT FOR THE YEAR</b>		243	598
Retained loss brought forward		<u>(620)</u>	<u>(1,218)</u>
Retained loss carried forward		<u><u>(377)</u></u>	<u><u>(620)</u></u>

There are no recognised gains or losses other than the profits for the year and prior year.

**BALANCE SHEET**  
**19 January 2003**

	Note	2003 £	2002 £
<b>CURRENT ASSETS</b>			
Cash at bank and in hand		620	441
<b>CREDITORS: amounts falling due within one year</b>	6	(897)	(961)
<b>NET CURRENT LIABILITIES</b>		<u>(277)</u>	<u>(520)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	100	100
Profit and loss account		(377)	(620)
<b>TOTAL EQUITY SHAREHOLDERS' DEFICIT</b>	8	<u>(277)</u>	<u>(520)</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.

These financial statements were approved by the Board of Directors on 16th October 2003

Signed on behalf of the Board of Directors

*P. J. de C Hill*

P J de CUSSE HILL

Director

## NOTES TO THE ACCOUNTS

Year ended 19 January 2003

## 1. ACCOUNTING POLICIES

The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Turnover**

Turnover represents sales at invoiced amounts excluding VAT.

**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.

## 2. ANALYSIS OF TURNOVER

The turnover and profit before taxation is attributable to the principal activity of the company. Turnover attributable to geographical markets outside the United Kingdom amounts to 9% (2002: 14%).

## 3. INFORMATION REGARDING DIRECTOR

The director was remunerated by the ultimate parent company and no charge was made for his services.

## 4. OPERATING PROFIT

The auditors were remunerated by the ultimate parent company and no charge was made for their services.

## 5. TAX ON PROFIT ON ORDINARY ACTIVITIES

a) Analysis of charge in the year	2003 £	2002 £
United Kingdom corporation tax at 10% (2002: 10%) based on the profit for the year	5	66
	5	66
Adjustments in respect of prior year	2	20
<b>Current tax charge (note 5b)</b>	<b>7</b>	<b>86</b>

## NOTES TO THE ACCOUNTS

Year ended 19 January 2003

## 5. TAX ON PROFIT ON ORDINARY ACTIVITIES (Continued)

## b) Factors affecting the tax charge for the year

The standard rate of tax for the year, based on the UK standard rate of corporation tax, is 10%. The actual tax charge for the current and previous year differ to the standard rate for the reasons set out in the following reconciliation:

	2003 £	2002 £
Profit on ordinary activities before tax	250	684
Tax on ordinary activities at the standard rate	25	68
Effects of:		
Corporation tax rate differences	(20)	(2)
Prior year adjustments	2	20
<b>Total current tax (note 5a)</b>	<b>7</b>	<b>86</b>

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

	2003 £	2002 £
Trade creditors	135	103
Amounts owed to parent undertaking	659	659
Other creditors including tax and social security	103	199
	<b>897</b>	<b>961</b>

## 7. CALLED UP SHARE CAPITAL

	2003 £	2002 £
<b>Authorised</b>		
100 ordinary shares of £1 each	100	100
<b>Called up, allotted and fully paid</b>		
100 ordinary shares of £1 each	100	100



## NOTES TO THE ACCOUNTS

Year ended 19 January 2003

## 8. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2003 £	2002 £
Profit for the year	243	598
Opening shareholders' deficit	(520)	(1,118)
Closing shareholders' deficit	<u>(277)</u>	<u>(520)</u>

## 9. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The company's ultimate parent company is Sunspel Menswear Limited, which is registered in England and Wales. Copies of the financial statements of Sunspel Menswear Limited is available from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff CF4 UZ.

The controlling party is Mr P J M Hill, the managing director of Sunspel Menswear Limited, who owns 77% of the issued share capital of that company.

## 10. RELATED PARTY TRANSACTIONS

During the year, the company purchased £2,676 (2002: £3,335) of finished goods from its ultimate parent company, Sunspel Menswear Limited. All purchases were at normal trade prices. At the financial year end, the aggregate amount of £659 (2002: £659) was due to Sunspel Menswear Limited.