

Company Registration No. 1344385

KANE & RAYMOND LIMITED

Report and Financial Statements

19 January 2002

Deloitte & Touche
1 Woodborough Road
Nottingham
NG1 3FG



REPORT AND FINANCIAL STATEMENTS

CONTENTS

Page

Director's report

1

Independent Auditors' report to the members

3

Profit and loss account

4

Balance sheet

5

Notes to the accounts

6

DIRECTOR'S REPORT

The director presents his annual report and the audited financial statements for the year ended 19 January 2002.

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	
	2002	2001
P J de Cusse Hill	1	1

DIRECTOR'S STATEMENT OF RESPONSIBILITIES

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.

DIRECTOR'S REPORT

AUDITORS

Deloitte & Touche were appointed during the period and have expressed their willingness to continue in office as auditors of the company. A resolution for their reappointment 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



**Deloitte
& Touche**

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 2002 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.

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 2002 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

Chartered Accountants and
Registered Auditors

16th May 2002

PROFIT AND LOSS ACCOUNT
Year ended 19 January 2002

	Note	2002 £	2001 £
TURNOVER FROM CONTINUING OPERATIONS	2	7,223	6,567
Cost of sales		<u>(3,810)</u>	<u>(3,265)</u>
Gross profit		3,413	3,302
Distribution costs		<u>(2,729)</u>	<u>(2,745)</u>
OPERATING PROFIT FROM CONTINUING OPERATIONS BEING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	684	557
Tax on profit on ordinary activities	5	<u>(86)</u>	<u>(211)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION BEING RETAINED PROFIT FOR THE YEAR		598	346
Retained loss brought forward		<u>(1,218)</u>	<u>(1,564)</u>
Retained loss carried forward		<u><u>(620)</u></u>	<u><u>(1,218)</u></u>

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

BALANCE SHEET
19 January 2002

	Note	2002 £	2001 £
CURRENT ASSETS			
Stocks		-	455
Debtors		-	9
Cash at bank and in hand		441	839
		<u>441</u>	<u>1,303</u>
CREDITORS: amounts falling due within one year			
	6	(961)	(2,421)
NET CURRENT LIABILITIES		<u>(520)</u>	<u>(1,118)</u>
CAPITAL AND RESERVES			
Called up share capital	7	100	100
Profit and loss account		(620)	(1,218)
TOTAL EQUITY SHAREHOLDERS' DEFICIT	8	<u>(520)</u>	<u>(1,118)</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 14 May 2002

Signed on behalf of the Board of Directors

P. J. de Cusse Hill

P J de CUSSE HILL

Director

NOTES TO THE ACCOUNTS

Year ended 19 January 2002

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.

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.

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 14% (2001 - 13%).

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

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2002 £	2001 £
United Kingdom corporation tax at 10% 2000: 20%) based on the profit for the year	66	47
	<hr/>	<hr/>
	66	47
Adjustments in respect of prior year		
Corporation tax	20	164
	<hr/>	<hr/>
	86	211
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS

Year ended 19 January 2002

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £	2001 £
Trade creditors	103	170
Amounts owed to parent undertaking	659	2,159
Other creditors including tax and social security	199	92
	<u>961</u>	<u>2,421</u>

7. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Called up, allotted and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

8. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the year	598	346
Opening shareholders' deficit	<u>(1,118)</u>	<u>(1,464)</u>
Closing shareholders' deficit	<u>(520)</u>	<u>(1,118)</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 £3,355 (2001 - £3,153) 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 (2001 - £2,159) was due to Sunspel Menswear Limited.