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1344385

KANE & RAYMOND LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

19TH JANUARY 1998



PHIPP & CO.
CHARTERED ACCOUNTANTS
6, Nottingham Road,
Long Eaton,
Nottingham.
NG10 1HP.

KANE & RAYMOND LIMITED

CONTENTS

<u>Page</u>	
1	Company Particulars
2	Report of the Directors
3	Report of the Auditors
4	Profit and Loss Account
5	Balance Sheet
6 - 7	Notes to the Financial Statements

KANE & RAYMOND LIMITEDRegistered in England No. 1344385COMPANY PARTICULARSDIRECTORS

P.J. de C. Hill

SECRETARY

G.T.M. Burton

REGISTERED OFFICE6 Nottingham Road,
Long Eaton,
Nottingham
NG10 1HPBANKERSRoyal Bank of Scotland plc,
8 South Parade,
Nottingham
NG1 2JSAUDITORSPhipp & Co.
Chartered Accountants
6, Nottingham Road,
Long Eaton,
Nottingham.
NG10 1HP.

KANE & RAYMOND LIMITEDDIRECTORS' REPORT

The Directors present their report to the members, together with the annual accounts for the Year ended 19th January 1998.

PRINCIPAL ACTIVITY

The principal activity of the company, which is unchanged since last year, is the retail of men's underwear.

DIRECTORS

The directors of the company and their interests in shares of the company are set out below. There was no change in the composition of the board of directors in the Year.

	Ordinary shares of £1 each	
	<u>19th January 1998</u>	<u>19th January 1997</u>
P.J. de C. Hill	-	-

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements 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 financial statements, the directors are required to:

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

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 financial statements 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.

DONATIONS

There were no charitable or political donations made during the year.

AUDITORS

A resolution to re-appoint the auditors will be proposed at the Annual General Meeting.

The Directors have taken advantage, in the preparation of their report, of the exemptions applicable to small companies.

Approved by the board of directors on 9th October 1998,
and signed on their behalf by:

G.T.M. Burton...

G.T.M. Burton
Secretary

AUDITORS' REPORT TO THE MEMBERS OFKANE & RAYMOND LIMITED

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 accounts 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 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 evaluate 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 at 19th January 1998, and of the profit for the Year then ended and have been properly prepared in accordance with the Companies Act 1985 as applicable to small sized companies.



 PHIPP & Co.
 CHARTERED ACCOUNTANTS
 and Registered Auditors

Date... *S. O. 14/10/98*
 6, Nottingham Road,
 Long Eaton,
 Nottingham. NG10 1HP.

KANE & RAYMOND LIMITEDPROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 19TH JANUARY 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
TURNOVER	2	5,661	6,160
Cost of Sales		2,794	2,991
GROSS PROFIT		2,867	3,169
Administrative expenses		2,824	2,610
OPERATING PROFIT		43	559
Interest payable		-	(1)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	43	558
Tax on profit on ordinary activities	4	(5)	136
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		48	422
Dividends	5	-	700
RETAINED PROFIT/(LOSS) FOR THE YEAR		£ 48	£ (278)
STATEMENT OF RETAINED PROFIT			
Retained loss brought forward		(1,573)	(1,294)
Retained Profit/(Loss) for the Year		48	(278)
RETAINED LOSS CARRIED FORWARD		£ (1,525)	£ (1,572)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the above two financial years.

KANE & RAYMOND LIMITEDBALANCE SHEET
AT 19TH JANUARY 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
CURRENT ASSETS			
Stock	6	1,085	1,237
Bank & Cash Balances		455	213
		<u>1,540</u>	<u>1,450</u>
Creditors - amounts falling due within one year			
Trade creditors		250	325
Sundry creditors	7	2,714	2,598
		<u>2,964</u>	<u>2,923</u>
NET CURRENT LIABILITIES		<u>1,424</u>	<u>1,473</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ (1,424)</u>	<u>£ (1,473)</u>
 Called up Share Capital			
	8	100	100
 Reserves			
Profit and Loss Account	9	(1,524)	(1,573)
		<u>£ (1,424)</u>	<u>£ (1,473)</u>

The Directors have taken advantage, in the preparation of the accounts, of special exemptions applicable to small companies under Schedule 8 Part I of the Companies Act 1985. In the opinion of the directors the company qualifies as a small company and is entitled to make use of the special exemptions.

Approved by the board of directors on 9 *June 1998* and signed on their behalf by:

P.J. de C Hill
..... (P.J. de C. Hill - Director)

KANE & RAYMOND LIMITEDNOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 19TH JANUARY 19981. ACCOUNTING POLICIESa. Convention

These financial statements have been prepared under the historical cost convention.

b. Turnover

Turnover represents sales at invoiced amounts.

c. Deferred Taxation

Provision is made for taxation liabilities arising from the allocation of items to different periods for taxation and for accounting purposes, to the extent that it is probable that a liability will crystallise.

d. Stock and Work in Progress

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

e. Cash Flow Statement

The Company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

f. Group Accounts

The Company is entitled to the exemption from preparing group accounts conferred by Section 248 of the Companies Act 1985. The financial statements present information about Kane & Raymond Limited and not about the group.

2. 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 amounted to 17% (1997 24%).

3. PROFIT ON ORDINARY ACTIVITIES

	<u>1998</u>	<u>1997</u>
	£	£
Profit on Ordinary Activities before taxation is arrived at after charging:		
Auditors' Remuneration	258	235
	<u> </u>	<u> </u>

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1998</u>	<u>1997</u>
	£	£
Taxation is based on the Profit for the Year and Comprises:		
Corporation Taxation	-	140
Over/Under Provisions in Earlier Years	(5)	(4)
	<u> </u>	<u> </u>
	(5)	136
	<u> </u>	<u> </u>

5. DIVIDENDS

	<u>1998</u>	<u>1997</u>
	£	£
Final Dividend	-	700
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 19TH JANUARY 1998

6. STOCKS

	<u>1998</u>	<u>1997</u>
	£	£
General Stock	1,085	1,237

7. SUNDRY CREDITORS - amounts falling due within one year

	<u>1998</u>	<u>1997</u>
	£	£
Amounts Owed to Holding Company - Note 10	2,384	2,149
Corporation Tax	-	140
Other Taxation and Social Security	22	12
Accruals and Deferred Income	308	297
	<u>2,714</u>	<u>2,598</u>

8. SHARE CAPITAL

	<u>1998</u>	<u>1997</u>
	£	£
Authorised		
Ordinary Shares of £1 Each	100	100
Allotted		
Ordinary Shares of £1 Each	100	100

9. RESERVES

	Profit and Loss Account £
Balance at 20th January 1997	(1,573)
Retained Profit for the Year	48
Balance at 19th January 1998	<u>(1,525)</u>

10. HOLDING COMPANY

The company is a wholly-owned subsidiary of Sunspel-Boxer Limited, a company incorporated in England.

