

**Company Registration No. 170349**

**Joseph Cheaney & Sons Limited**

**Report and Financial Statements**

**Thirteen months ended 31 January 2007**

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# **Joseph Cheaney & Sons Limited**

## **Report and financial statements 2007**

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# **Joseph Cheaney & Sons Limited**

## **Report and financial statements 2007**

### **Officers and professional advisers**

#### **Directors**

S Etheridge (Chairman)  
D Dickerson

#### **Secretary**

H Shah

#### **Registered office**

PO Box 1  
69 Rushdon Road  
Desborough  
Kettering  
Northants  
NN14 2RZ

#### **Bankers**

Barclays Bank plc  
London

#### **Solicitors**

Hewitson Becke & Shaw  
7 Spencer Parade  
Northampton  
NN1 5AB

#### **Auditors**

Deloitte & Touche LLP  
Chartered Accountants  
London

# Joseph Cheaney & Sons Limited

## Directors' report

The directors present their annual report and the audited financial statements for the thirteen months ended 31 January 2007

### Principal activity

The company's principal activity continues to be that of manufacturing and wholesale of footwear

### Change in ownership

On 20 December 2006 Prada holding NV purchased 55% of the equity of Church Holding UK Plc, the ultimate parent company, to become the sole shareholder. The company has changed its year end to 31 January to be consistent with Prada Holding NV's accounting period. This has resulted in a one off thirteen month accounting period in these financial statements

### Review of developments

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

### Results and dividends

There was a profit for the period after taxation amounting to £369,391 (2005 - £213,953). The directors declared and paid a dividend of £ nil (2005 - £342,357)

### Future outlook

The global market place remains competitive, however the directors believe that the brand places itself well in its key markets and look forward to continued growth in the next financial year from these markets coupled with the new and emerging markets which also continue to grow

### Key performance indicators

The board monitors progress on the overall strategy by reference to certain KPI's as follows

	Period to 31 January 2007	Year to 31 December 2005	
Sales growth	4%	4%	13 months year on year sales growth expressed as a %
Trading Profit	5%	4%	Trading profit expressed as a % of sales
Return on net assets	8%	6%	Trading profit expressed as a % of net assets

# **Joseph Cheaney & Sons Limited**

## **Directors' report (continued)**

### **Principal risks and uncertainties**

The company's sales in Europe are made in Euros and it is therefore exposed to the movement in the Euro to Pound exchange rate. However the risk is mitigated as there are also Euro purchases of raw materials. The company does not have any forward hedging contracts.

The availability of key skills in the manufacturing process is another key risk due to the speciality of skills required. The directors are however pro-active in this regard and control of this risk and continue to invest in training to mitigate this risk.

### **Financial Risk Management**

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets is not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet, the only financial risks that directors consider relevant to this company are credit risk and liquidity risk. The directors believe that there are sufficient procedures in place to mitigate these risks.

#### **(i) Credit Risk**

The company's principle financial assets are bank balances and cash, trade and other receivables and investments. The company's credit risk is primarily in respect of trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables, estimated by the company's management based on prior experience and their assessment of the current economic environment. The company has no significant concentration of credit risk and exposure is spread over a large number of customers.

#### **(ii) Liquidity Risk**

The company's overall objective is to ensure that at all times it is able to meet its financial commitments as and when they fall due. Surplus funds are invested on short term deposit. Short term flexibility is by overdraft facilities, if appropriate.

### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Equal opportunity**

The Company endorses and supports the principles of equal employment opportunities. It is the policy of the Company to provide equal employment opportunities to all qualified individuals, and to ensure that all employment decisions are made, subject to legal obligations, on a non-discriminatory basis.

### **Environment**

Where possible, the Company takes steps to minimise any adverse environmental impact, by performing tasks such as recycling waste material.

# **Joseph Cheaney & Sons Limited**

## **Directors' report (continued)**

### **Employee involvement**

The Company places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the Company

This is achieved through formal and informal meetings as well as a regular internal memorandum for all employees and the use of the Company's intranet

### **Directors and their interests**

The directors who held office throughout the period are given below

S Etheridge (Chairman)  
D Dickerson

The directors did not have any interests in the company or any other group undertaking during the current or prior period

### **Political and charitable donations**

The company made no political donations in the current or prior period Charitable donations made during the period amounted to £694 (2005 - £861)

### **Auditors**

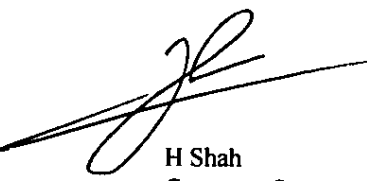
Each of the persons who is a director at the date of approval of this report confirms that

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

Approved by the Board of Directors  
and signed on behalf of the Board



H Shah  
Company Secretary  
23rd May 2007

# **Joseph Cheaney & Sons Limited**

## **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

## **Independent auditors' report to the members of Joseph Cheaney & Sons Limited**

We have audited the financial statements of Joseph Cheaney & Sons Ltd for the period ended 31 January 2007 which comprise the profit and loss account, the balance sheet, the note of historical cost and the related notes 1 to 21. 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**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 report to you, whether in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions is not disclosed.

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

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 circumstances of the company, 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.

## **Independent auditors' report to the members of Joseph Cheaney & Sons Limited (continued)**

### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 January 2007 and of its profit for the period then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985
- the information given in the directors report is consistent with the financial statements

*Deloitte & Touche LLP*

**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
London, UK

*23rd May 2007*

## Joseph Cheaney & Sons Limited

### Profit and loss account

Thirteen month period ending 31 January 2007

	Notes	31 January 2007 £	31 December 2005 £
Turnover – continuing operations	2	6,548,386	5,720,531
Cost of sales		(4,872,235)	(4,217,082)
<b>Gross profit</b>		<b>1,676,151</b>	<b>1,503,449</b>
Administrative expenses		(1,329,892)	(1,216,428)
<b>Operating profit – continuing operations</b>	3	<b>346,259</b>	<b>287,021</b>
Interest receivable and similar income		12,349	13,927
<b>Profit on ordinary activities before taxation</b>		<b>358,608</b>	<b>300,948</b>
Tax credit/(charge) on profit on ordinary activities	7	10,783	(86,995)
<b>Profit on ordinary activities after taxation</b>		<b>369,391</b>	<b>213,953</b>
Dividends	8	-	(342,357)
<b>Retained profit/(loss) for the financial period</b>	16, 17	<b>369,391</b>	<b>(128,404)</b>

The company has no recognised gains and losses other than that stated above and therefore no separate statement of total recognised gains and losses has been presented

## Joseph Cheaney & Sons Limited

### Note of historical cost profits and losses Thirteen month period ending 31 January 2007

	31 January 2007 £	31 December 2005 £
Reported profit on ordinary activities before taxation	358,608	300,948
Difference between an historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	2,226	2,055
Historical cost profit on ordinary activities before taxation	360,834	303,003
Historical cost profit/(loss) retained after taxation and dividends	371,617	(126,349)

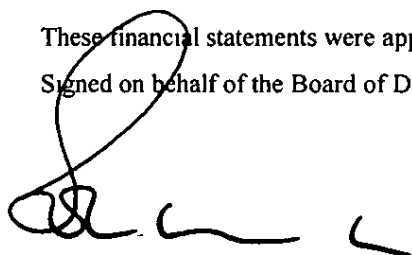
# Joseph Cheaney & Sons Limited

## Balance sheet 31 January 2007

	Notes	31 Jan 2007 £	31 Dec 2005 £
<b>Fixed assets</b>			
Tangible fixed assets	9	<u>778,361</u>	<u>711,980</u>
<b>Current assets</b>			
Stock	10	1,638,520	1,392,935
Debtors	11	2,011,415	1,766,307
Cash at bank and in hand		<u>318,841</u>	<u>752,964</u>
		3,968,776	3,912,206
<b>Creditors: amounts falling due within one year</b>	12	<u>(761,697)</u>	<u>(1,016,732)</u>
<b>Net current assets</b>		<u>3,207,079</u>	<u>2,895,474</u>
<b>Total assets less current liabilities</b>		3,985,440	3,607,454
<b>Provisions</b>	13	<u>(63,827)</u>	<u>(55,232)</u>
<b>Net assets</b>		<u>3,921,613</u>	<u>3,552,222</u>
<b>Capital and reserves</b>			
Called up share capital	15	90,094	90,094
Share premium account	16	5,000	5,000
Revaluation reserve	16	103,527	103,527
Profit and loss account	16	<u>3,722,992</u>	<u>3,353,601</u>
<b>Equity shareholders' funds</b>	17	<u>3,921,613</u>	<u>3,552,222</u>

These financial statements were approved by the Board of Directors on 23rd May 2007

Signed on behalf of the Board of Directors



S Etheridge  
Director

# Joseph Cheaney & Sons Limited

## Notes to the accounts

### Thirteen month period ending 31 January 2007

#### 1. Accounting policies

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain tangible fixed assets, in accordance with applicable United Kingdom law and accounting standards. A summary of the principal accounting policies is set out below, these policies have been applied consistently in the current and prior period.

##### Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### Fixed assets

With the exception of land and buildings, the cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition. Land and buildings were revalued in 1994 to the open market value at that date.

The company has adopted the option within the transitional arrangements of Financial Reporting Standard 15 'Tangible Fixed Assets' to retain the book values of fixed assets at their previously revalued amounts. No further revaluations will be undertaken.

From 2004 the company adopted a policy of capitalising lasts and knives and depreciating them over a five year period.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Land and buildings	2½% - 4%
Plant and machinery	5% - 20%
Motor vehicles	25%

##### Foreign currencies

Transactions in foreign currencies are recorded at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities in foreign currencies are retranslated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with through the profit and loss account.

##### Defined contribution and Defined benefit pension schemes

The pension costs charged to the profit and loss account represent the amount of the contributions payable to the scheme in respect of the accounting period. (Note 14)

##### Stocks and work in progress

Raw material stocks have been valued at the lower of cost and net realisable value.

Stocks of finished goods or work in progress have been valued at the lower of estimated cost, including production overheads, or net realisable value.

# Joseph Cheaney & Sons Limited

## Notes to the accounts

### Thirteen month period ending 31 January 2007

#### 1. Accounting policies (continued)

##### Cash flow statement and related party disclosures

The company is a wholly-owned subsidiary of Church & Co Plc and is included in the consolidated financial statements of its ultimate parent company, Prada Holding NV, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996) and disclosing trading with related parties under the terms of FRS8.

The company is also exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Church Holdings UK plc group or investees of Church Holdings UK plc.

##### Turnover

Turnover represents amounts invoiced by the company in respect of goods provided during the period, excluding value added tax and trade discounts.

##### Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if payments are not made on such a basis.

##### Change of ownership

On 20 December 2006 Prada holding NV purchased 55% of the equity of Church Holding UK Plc, the ultimate parent company, to become the sole shareholder. The company has changed its year end to January 31<sup>st</sup> to be consistent with Prada Holding NV's accounting period. This has resulted in a one off thirteen month accounting period in these financial statements.

#### 2. Turnover

All turnover relates to the company's principal activity, namely the manufacture and wholesale of footwear. The analysis of turnover by geographical markets supplied is as follows:

	31 January 2007 £	31 December 2005 £
United Kingdom	4,222,390	3,763,894
Europe	444,394	405,317
United States of America	542,917	611,846
Other countries	1,338,685	939,474
	<u>6,548,386</u>	<u>5,720,531</u>

# Joseph Cheaney & Sons Limited

## Notes to the accounts

### Thirteen month period ending 31 January 2007

#### 3. Operating profit

Operating profit is stated after charging/(crediting),

	31 January 2007 £	31 December 2005 £
Depreciation of tangible fixed assets - owned assets	125,798	96,470
Profit on disposal of fixed assets	(6,964)	(6,951)
Hire of machinery and equipment	16,550	19,516
Operating lease rentals	4,898	5,768
Auditors' remuneration		
- audit services	15,700	13,500
- non-audit services	8,098	-
	<u>15,700</u>	<u>13,500</u>

#### 4. Directors' emoluments

	31 January 2007 £	31 December 2005 £
Aggregate emoluments	<u>85,748</u>	<u>115,634</u>

During the period 1 director (2005 – 2) were accruing benefits under the group defined benefit scheme

The accrued lump sum for the highest paid director at 31 January 2007 was £23,527 (2005 – £20,443)

#### 5. Employee information

The average monthly number of persons (including executive directors) employed by the company during the period was

	31 January 2007 No.	31 December 2005 No.
By activity		
Production	124	119
Selling and distribution	3	3
Administration	17	18
	<u>144</u>	<u>140</u>

#### 6. Employee costs

	31 January 2007 £	31 December 2005 £
Wages and salaries	2,679,439	2,285,003
Social security costs	216,340	183,338
Other pension costs	139,125	103,254
Staff costs	<u>3,034,904</u>	<u>2,571,595</u>

# Joseph Cheaney & Sons Limited

## Notes to the accounts

### Thirteen month period ending 31 January 2007

#### 7. Tax credit/(charge) on profit on ordinary activities

	31 January 2007 £	31 December 2005 £
United Kingdom corporation tax at 30% (2005 – 30%) based on the profit for the period		
- current tax	(47,260)	(66,638)
- deferred tax	(10,865)	(20,357)
Under/(over) provision in respect of prior years		
- current tax	66,638	-
- deferred tax	2,270	-
	<u>10,783</u>	<u>(86,995)</u>

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK of 30% (2005 30%) The differences are explained below

	£	£
Profit on ordinary activities before taxation	<u>358,608</u>	<u>300,948</u>
Tax at 30% thereon	(107,582)	(90,285)
Expenses not deductible for tax purposes	(10,200)	(9,794)
Capital allowances in excess of depreciation	10,865	17,807
Movement in short term timing differences	-	2,550
Group relief not paid for	59,657	13,083
Prior period adjustments	66,638	1
Total current tax credit/(charge)	<u>19,378</u>	<u>(66,638)</u>

#### 8. Dividends

	31 January 2007 £	31 December 2005 £
Equity – ordinary		
Final proposed nil p (2005– 380 p) per £1 share	<u>-</u>	<u>342,357</u>

# Joseph Cheaney & Sons Limited

## Notes to the accounts

### Thirteen month period ending 31 January 2007

#### 9. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2006	314,240	1,101,879	130,888	1,547,007
Additions	-	149,664	42,515	192,179
Disposals	-	-	(55,799)	(55,799)
At 31 January 2007	314,240	1,251,543	117,604	1,683,387
<b>Accumulated depreciation</b>				
At 1 January 2006	63,023	707,492	64,512	835,027
Charge for the period	8,589	89,169	28,040	125,798
Disposals	-	-	(55,799)	(55,799)
At 31 January 2007	71,612	796,661	36,753	905,026
<b>Net book value</b>				
At 31 January 2007	242,628	454,882	80,851	778,361
At 31 December 2005	251,217	394,387	66,376	711,980

The figures stated above include the following

	Freehold land and buildings 31 January 2007 £	31 December 2005 £
At cost – purchased post 31 December 1994	13,240	13,240
At Valuation – 1994	301,000	301,000
	314,240	314,240

If freehold land and buildings had not been revalued, they would have been included on the historical cost basis at the following amount

	31 January 2007 £	31 December 2005 £
Cost	243,365	243,365
Accumulated depreciation	(86,025)	(79,662)
Net book amount	157,340	163,703

The freehold properties were valued by external valuers, Connell Wilson, as at 31 December 1994, on the basis of the open market value for the existing use in accordance with the statement of Asset Valuation Practice and Guidance Notes published by the RICS. The company has adopted the option within the transitional arrangements of FRS 15 'Tangible Fixed Assets' to retain the book values of fixed assets at their previously revalued amounts. No further revaluations will be undertaken.

# Joseph Cheaney & Sons Limited

## Notes to the accounts

### Thirteen month period ending 31 January 2007

#### 10. Stock

	31 January 2007 £	31 December 2005 £
Raw materials and consumables	474,908	419,124
Work in progress	446,629	348,759
Finished goods and goods for resale	716,983	625,052
	<u>1,638,520</u>	<u>1,392,935</u>

There is no material difference between the balance sheet value of stocks and their replacement cost

#### 11. Debtors

	31 January 2007 £	31 December 2005 £
Trade debtors	1,187,459	1,176,153
Amounts owed by group undertakings	784,386	565,243
Other debtors	2,130	957
Prepayments and accrued income	37,440	23,954
	<u>2,011,415</u>	<u>1,766,307</u>

#### 12. Creditors: amounts falling due within one year

	31 January 2007 £	31 December 2005 £
Trade creditors	212,647	358,355
Amounts due to group undertakings	113,941	307,794
Amounts due to associated undertakings	-	3,466
Corporation tax payable	47,260	66,638
Other taxation and social security	146,514	142,292
Other creditors	22,159	30,463
Accruals and deferred income	219,176	107,724
	<u>761,697</u>	<u>1,016,732</u>

# Joseph Cheaney & Sons Limited

## Notes to the accounts

### Thirteen month period ending 31 January 2007

#### 13. Provisions for liabilities and charges

<b>Deferred taxation:</b>		<b>£</b>
1 January 2006		55,232
Charged to the profit and loss account		8,595
		<u>63,827</u>
At 31 January 2007		<u>63,827</u>
	<b>31 January 2007</b>	<b>31 December 2005</b>
	<b>£</b>	<b>£</b>
<b>Deferred taxation provided in the accounts comprises:</b>		
Capital allowances in excess of depreciation	<u>63,827</u>	<u>55,232</u>

#### 14. Pension commitments

##### *Defined Benefit Schemes*

The company participates in the Church & Co plc Staff and Works Retirement Benefit Schemes. These are defined benefit multi-employer schemes, the assets and liabilities of which are administered by trustees in funds independent from those of the Group.

The company is unable to identify its share of the underlying assets and liabilities of the schemes and accordingly accounts for the schemes as if they were defined contribution schemes.

A summary of the FRS 17 actuarial valuation for each of the schemes is given below.

	<b>Staff Pension scheme</b>			<b>Works Pension scheme</b>		
	<b>31/1/2007</b>	<b>2005</b>	<b>2004</b>	<b>31/1/2007</b>	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Total fair value of assets	25,833	24,698	21,115	6,537	6,484	5,735
Present value of scheme liabilities	(26,951)	(26,855)	(25,547)	(4,893)	(4,864)	(5,532)
Related deferred tax asset	<u>335</u>	<u>647</u>	<u>1,330</u>	<u>(493)</u>	<u>(486)</u>	<u>(61)</u>
<b>Net pension (deficit)/asset</b>	<u>(783)</u>	<u>(1,510)</u>	<u>(3,102)</u>	<u>1,151</u>	<u>142</u>	<u>142</u>

The R P Ellen Pension Scheme was wound up in 2004. The remaining net assets are included within the Staff Pension scheme.

Contributions to the schemes in the period were £124,211 (2005 £94,970). An updated valuation of the scheme at 31 January 2007 indicated that the scheme was 96% funded.

##### **Defined Contribution Scheme**

The company is party to a group defined contribution pension scheme. The assets of the schemes are administered by trustees in funds independent from those of the company. The pension charge in the period was £2,969 (2005 £8,302).

# Joseph Cheaney & Sons Limited

## Notes to the accounts

### Thirteen month period ending 31 January 2007

#### 15. Called up share capital

	31 January 2007 £	31 December 2005 £
<b>Authorised:</b>		
100,000 ordinary shares of £1 each	100,000	100,000
<b>Allotted, called up and fully paid:</b>		
90,094 ordinary shares of £1 each	90,094	90,094

#### 16. Reserves

	Share premium account £	Profit and loss account £	Revaluation reserve £
At 1 January 2006	5,000	3,353,601	103,527
Retained loss for the financial period	-	369,391	-
At 31 January 2007	5,000	3,722,992	103,527

#### 17. Reconciliation of movements in shareholders' funds

	31 January 2007 £	31 December 2005 £
Profit/(loss) for the period	369,391	(128,404)
<b>Net movement in shareholders' funds</b>	369,391	(128,404)
Shareholders' funds at start of period	3,552,222	3,680,626
<b>Shareholders' funds at end of period</b>	3,921,613	3,552,222

#### 18. Operating lease commitments

	31 January 2007 £'000	Other 31 December 2005 £'000
Leases that expire		
Within one year	-	-
Within two to five years	5	5

## Joseph Cheaney & Sons Limited

### Notes to the accounts

#### Thirteen month period ending 31 January 2007

##### 19. Capital and other commitments

	31 January 2007 £	31 December 2005 £
Expenditure contracted but not provided for	<u>202,404</u>	<u>213,843</u>

##### 20. Contingent liabilities

Cross guarantees exist between Joseph Cheaney & Sons Limited, Church & Co (Footwear) Limited, Church & Co plc and Church (UK) Retail Limited in respect of their bank overdrafts. Cross guarantees also exist between the Church & Co Plc Group relating to multi-currency loans totalling £nil (2005 £nil).

##### 21. Ultimate parent undertaking

The immediate parent company of Joseph Cheaney & Sons Limited is Church & Co Plc.

The largest group in which the results of Joseph Cheaney & Sons Limited are consolidated is that headed by Prada Holding NV, the ultimate parent company and controlling party, incorporated in the Netherlands. The consolidated financial statements of this group are available to the public and may be obtained from Dam 3-7, 1012 JS Amsterdam, Netherlands.