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**SPEEDO INTERNATIONAL LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2009**

# **SPEEDO INTERNATIONAL LIMITED**

## **DIRECTORS' REPORT**

The directors have pleasure in submitting their report and the audited financial statements of the company for the year ended 31 December 2009

### **PRINCIPAL ACTIVITIES, REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The company's principal activity during the year was the design, sourcing, marketing and distribution of swimwear and related accessories in the UK and internationally. This is not expected to change in the coming year.

The directors' acknowledge that the future year will be a challenging period, however remain confident that the business will continue to meet those challenges.

#### **Principal risks and uncertainties**

The directors of Pentland Group plc manage the group's risk at a group level, rather than at an individual entity level. For this reason, the company's directors believe that a discussion of the company's risks would not be appropriate for an understanding of the development, performance or position of the Speedo International Limited's business.

The principal risks and uncertainties of Pentland Group plc, which include those of the company, are discussed on page 2 of the group's annual report which does not form part of this report. Copies of the Pentland Group plc consolidated financial statements are available from the Company Secretary at 8 Manchester Square, London, W1U 3PH.

#### **Key performance indicators**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

### **RESULTS AND DIVIDENDS**

The company's loss for the financial year is £2.0 million (2008: £1.9 million loss) and is shown in the profit and loss account on page 6. The directors do not recommend the payment of a dividend (2008: nil).

### **DIRECTORS**

The following directors who held office during the year and up to the date of signing the financial statements were:

A M Long  
A K Rubin  
R S Rubin  
D Robinson  
M Brewster (appointed 1 January 2009)

### **QUALIFYING THIRD PARTY AND PENSION SCHEME INDEMNITY PROVISIONS**

Pentland Group plc (the ultimate parent company) has provided an indemnity for the directors and the secretary of the company, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

# **SPEEDO INTERNATIONAL LIMITED**

## **DIRECTORS' REPORT (continued)**

### **SUPPLIER PAYMENT POLICY**

The company's policy is to agree the terms of payment at the start of business with each supplier, to ensure suppliers are aware of those terms and can abide by them. We comply with the Confederation of British Industry (CBI) Prompt Payers Code, copies of which can be obtained from the CBI, Centrepont, 103 New Oxford Street, London, WC1A 1DU. The company's number of creditor days was 61 days (2008: 124 days).

### **GOING CONCERN**

The directors, having taken account of the company's net cash resources and bank facilities, consider that the company has adequate resources to continue as a going concern for the foreseeable future. Therefore they consider it is appropriate to adopt the going concern basis in preparing the financial statements.

### **STATEMENT OF DIRECTORS RESPONSIBILITIES**

The directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **SPEEDO INTERNATIONAL LIMITED**

### **DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information, being information required by the auditors in connection with the preparation of the auditors' report, of which the auditors are unaware. Each director has taken all steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **AUDITORS**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting.

By order of the board



P J Campbell  
**Company secretary**  
1 April 2010

## **SPEEDO INTERNATIONAL LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPEEDO INTERNATIONAL LIMITED**

We have audited the financial statements of Speedo International Limited for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

**SPEEDO INTERNATIONAL LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPEEDO INTERNATIONAL LIMITED (continued)**

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Alison Lees (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
1 April 2010

**SPEEDO INTERNATIONAL LIMITED****PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009**

	Note	2009 £m	2008 £m
<b>Turnover</b>	3	<b>77.2</b>	70.8
Operating loss	4	(2.6)	(1.7)
Exceptional items	5	(0.3)	-
Dividends received from investment in Associate Undertakings		1.0	-
<b>Loss on ordinary activities before taxation</b>		<b>(1.9)</b>	(1.7)
Tax on profit / (loss) on ordinary activities	8	(0.1)	(0.2)
<b>Loss for the financial year</b>	16	<b>(2.0)</b>	(1.9)

All amounts relate to continuing operations

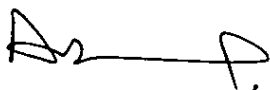
The company has no recognised gains and losses other than those included in the results above, and therefore no separate Statement of Total Recognised Gains and Losses has been presented

There is no material difference between the loss on ordinary activities before taxation and the profit on ordinary activities after taxation for the financial years stated above and their historical cost equivalents

**SPEEDO INTERNATIONAL LIMITED****BALANCE SHEET AS AT 31 DECEMBER 2009**

	Note	2009 £m	2008 £m
<b>Fixed assets</b>			
Tangible assets	9	0.6	0.7
Investments	10	8.3	11.4
		<u>8.9</u>	<u>12.1</u>
<b>Current assets</b>			
Stock	11	9.1	10.2
Debtors	12	13.3	17.8
Cash at bank and in hand		24.8	24.2
		<u>47.2</u>	<u>52.2</u>
<b>Creditors: amounts falling due within one year</b>	13	(44.0)	(50.2)
<b>Net current assets</b>		<u>3.3</u>	<u>2.0</u>
<b>Total assets less current liabilities</b>		<u>12.1</u>	<u>14.1</u>
<b>Net assets</b>		<u>12.1</u>	<u>14.1</u>
<b>Capital and reserves</b>			
Called up share capital	15	20.1	20.1
Revaluation reserve	16	0.2	0.2
Profit and loss account deficit	16	(8.2)	(6.2)
<b>Total shareholders' funds</b>		<u>12.1</u>	<u>14.1</u>

The financial statements on pages 6 to 17 were approved by the board of directors on 1 April 2010 and signed on its behalf by



A M Long  
Director

Registered number 227323



1 ACCOUNTING POLICIES

**Basis of preparation** These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of certain tangible fixed assets, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently with the prior year, are set out below.

**Consolidation** Consolidated financial statements have not been prepared as the company is a wholly owned subsidiary undertaking of Pentland Group plc, and is exempt from preparing group accounts by virtue of section 400 Companies Act 2006.

**Fixed asset investments** Fixed asset investments are stated at cost or valuation, less provision for any diminution in value, if appropriate.

**Associates** Investments over which the company exerts significant influence are treated as associated undertakings and stated at cost. Dividends received are recognised at the point of receipt.

**Tangible fixed assets** Tangible fixed assets are stated at historic cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight line basis. The expected useful lives of the assets to the business are reassessed periodically.

**Revaluation** When properties are revalued the depreciation thereafter provided is based on the revalued depreciable amounts.

**Depreciation** The principal rates used are freehold property 2%, fixtures and fittings 10 - 33 3%.

**Stock** Stocks are valued at the lower of cost, determined on a FIFO method, and estimated net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

**Accrued and Other Income** Other income is recognised in the period to which it relates.

**Foreign currencies** Transactions in foreign currencies during the year are translated at the rate of exchange applicable at the transaction date, or if hedged forward, at the contracted rate. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date, or contracted rates where hedging arrangements are in place.

**Turnover** Turnover comprises the value of external sales, services and royalties, excluding sales related taxes. Sales are recognised as they are invoiced following the passing of title of goods. Royalties are recognised in the period in which the related sales are made.

**Operating leases** Costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the lease term.

**1 ACCOUNTING POLICIES (continued)**

**Retirement benefits** The Company's employees can either be members of the defined benefit or defined contribution pension schemes. The total expense recognised in the profit and loss account in relation to pensions represents the actual contribution paid into the defined contribution scheme on behalf of employees.

The impact of Financial Reporting Standard (FRS17) Retirement benefits on the defined benefit pension scheme have not been applied to the financial statements as the employer is unable to identify its share of the underlying assets and liabilities. The disclosures required under FRS 17 Retirement benefits are disclosed in the financial statements of Pentland Group plc, the company's ultimate parent undertaking.

**Deferred tax** Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date if transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exceptions:

- provision is made for gains on disposal of tangible fixed assets that have been rolled over into replacement assets only if, at the balance sheet date, there is a commitment to dispose of the replacement assets,
- provision is made for deferred tax that would arise on remittance of net earnings of overseas subsidiaries, associates and joint ventures only to the extent that the balance sheet date dividends have been received, and
- deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

The deferred tax for the period and any adjustments in respect of previous periods are recognised in the profit and loss account. Tax arising on gains and losses that have been recognised in the statement of total recognised gains and losses are recognised in that statement.

**2 CASH FLOW STATEMENT**

Pentland Group plc, of which the company is a wholly owned subsidiary, has presented in its consolidated financial statements a group cash flow statement drawn up under the provisions of Financial Reporting Standard 1 Cash flow statements (FRS 1 revised 1996). Accordingly the company has taken advantage of the exemption available under FRS 1 revised 1996 to dispense with presenting its own cash flow statement.

**3 TURNOVER**

Turnover by destination is analysed by geographical area as follows

	2009 £m	2008 £m
United Kingdom	16.9	15.5
Europe	37.8	37.7
Rest of World	22.5	17.6
	<u>77.2</u>	<u>70.8</u>

**4 OPERATING LOSS BEFORE EXCEPTIONAL ITEMS**

	2009 £m	2008 £m
Turnover	77.2	70.8
Cost of sales	(46.3)	(36.6)
Gross profit	<u>30.9</u>	<u>34.2</u>
<b>Net operating expenses</b>		
Distribution costs	(8.5)	(9.4)
Administrative expenses	(25.0)	(26.5)
	<u>(2.6)</u>	<u>(1.7)</u>

**The following are included within operating expenses:**

	2009 £m	2008 £m
Staff costs		
Wages and salaries	8.7	7.3
Social security costs	0.7	0.7
Other pension costs (note 7)	0.4	0.4
	<u>9.8</u>	<u>8.4</u>
Depreciation of tangible fixed assets - owned	0.2	0.2
Operating leases		
Rent of land and buildings	0.2	0.2

During the year auditors' remuneration amounted to £31,000 (2008 £30,000)

**5 EXCEPTIONAL ITEMS**

	2009 £m	2008 £m
<b>Before operating profit</b>		
Liquidation of fellow subsidiary undertaking	2.0	-
Impairment of investment in Shaw MacRae Ltd	(2.3)	-
	<u>(0.3)</u>	<u>-</u>
	<u><u>(0.3)</u></u>	<u><u>-</u></u>

**6 DIRECTORS AND EMPLOYEES**

The average monthly number of persons, including directors, employed by the company during the year was

	2009 Number	2008 Number
By activity		
Management and administration	80	82
Selling and distribution	112	120
	<u>192</u>	<u>202</u>
	<u><u>192</u></u>	<u><u>202</u></u>

**Directors' emoluments**

	2009 £m	2008 £m
Aggregate emoluments	0.6	0.4
Company contributions to money purchase scheme	-	-
	<u>0.6</u>	<u>0.4</u>
	<u><u>0.6</u></u>	<u><u>0.4</u></u>

The emoluments of the highest paid director (excluding pension contributions) were £392,567 (2008 £204,668)

The contributions to the money purchase scheme for the highest paid director were £17,625 (2008 £16,250)

The accrued pension attributable to the highest paid director is £17,998 per annum (2008 £17,853)

The number of directors accruing benefits under the defined benefit scheme is two (2008 two)

The directors who are also a director of the parent company, Pentland Group plc, have emoluments disclosed in the financial statements of that company

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

## 7 PENSION SCHEMES

Following closure of the group's contributory defined benefits pension scheme, the group introduced a defined contribution pension scheme being a group personal pension plan. The assets of the scheme are held separately from those of the group in an independently administered fund managed by Standard Life. Contributions to the plan are made both by group companies and employees. The amounts charged against profits represent the contributions payable to the scheme in respect of the accounting period. The charge to the profit and loss account for the year for the group personal pension plan was £0.4m (2008: £0.4m).

The company operates another defined contribution (money purchase) pension scheme. The assets of the scheme are held separately from those of the company. This fund is under the control of trustees who have invested it with a UK insurance company. In 2007 the scheme was frozen, and therefore no contribution to the scheme was made in 2009 (2008: £nil) nor will any be made in future years.

## 8 TAX ON LOSS ON ORDINARY ACTIVITIES

	2009 £m	2008 £m
<b>Current tax</b>		
Overseas tax – current year	(0.1)	(0.2)
Overseas tax – prior year	-	-
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Tax on loss on ordinary activities	<b>(0.1)</b>	<b>(0.2)</b>
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The tax assessed for the year is the same as (2008: higher) than the standard rate of corporation tax in the UK of 28% (2008: 28.5%). The differences are explained below:

	2009 £m	2008 £m
<b>Loss on ordinary activities before taxation</b>	<b>(2.0)</b>	<b>(1.7)</b>
	<hr/>	<hr/>
Profit/ (loss) on ordinary activities multiplied by the standard rate in the UK at 28% (2008: 28.5%)	<b>(0.5)</b>	<b>(0.5)</b>
Effects of:		
Group relief claimed for £nil consideration	0.2	0.6
Permanent differences	0.2	0.1
Overseas tax	0.1	0.2
Accelerated capital allowances and other timing differences	0.4	(0.2)
Adjustment to tax charged in prior periods	(0.3)	-
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Current tax charge for the year	<b>0.1</b>	<b>0.2</b>
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## 9 TANGIBLE ASSETS

	Freehold buildings £m	Fixtures and fittings £m	Total £m
<b>Cost</b>			
At 1 January 2009	1.2	3.6	4.8
Additions	-	0.2	0.2
Disposals	-	(0.2)	(0.2)
<b>At 31 December 2009</b>	<b>1.2</b>	<b>3.6</b>	<b>4.8</b>
<b>Accumulated depreciation</b>			
At 1 January 2009	0.8	3.3	4.1
Charge for the year	-	0.2	0.2
Disposals	-	(0.1)	(0.1)
<b>At 31 December 2009</b>	<b>0.8</b>	<b>3.4</b>	<b>4.2</b>
<b>Net book value at:</b>			
<b>At 31 December 2009</b>	<b>0.4</b>	<b>0.2</b>	<b>0.6</b>
At 31 December 2008	0.4	0.3	0.7

The value of land included in freehold property above that is not depreciated is £0.1m (2008: £0.1m)

Freehold buildings were revalued in 1987 with subsequent additions included at the lower of cost and recoverable amount

If freehold buildings had not been revalued, they would have been included at the following amounts

	2009 £m	2008 £m
Cost	0.9	0.9
Aggregate depreciation	(0.8)	(0.8)
<b>Net book value</b>	<b>0.1</b>	<b>0.1</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009

## 10 INVESTMENT

	2009 £m	2008 £m
<b>Cost</b>		
At 1 January and 31 December 2009	16.3	16.3
<b>Impairment</b>		
At 1 January and 31 December 2009	(7.2)	(4.9)
<b>Liquidation of subsidiary undertaking</b>		
At 1 January 2009	-	-
Liquidation in the year	(0.8)	-
<b>At 31 December 2009</b>	<u>(0.8)</u>	<u>-</u>
<b>Net book value</b>		
At 1 January and 31 December 2009	<u>8.3</u>	<u>11.4</u>

	Country of incorporation	% of shares held	2009 £m	2008 £m
Shaw MacRae Ltd	UK	100%	-	2.3
Speedo Holdings BV	Holland	100%	7.2	7.2
Speedo Deutschland gmbh	Germany	100%	-	0.8
Linea Aqua (Pvt) Ltd	Sri Lanka	33%	1.1	1.1
			<u>8.3</u>	<u>11.4</u>

The investment carrying value of £2.3m in Shaw Macrae Ltd was impaired in full during the year.

Speedo Deutschland gmbh was liquidated during the year, resulting in £2.0m exceptional gain.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

## 11 STOCK

The company's stock consists of finished goods held for resale.

**SPEEDO INTERNATIONAL LIMITED****NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009****12 DEBTORS**

	<b>2009</b>	<b>2008</b>
	<b>£m</b>	<b>£m</b>
Trade debtors	<b>11.7</b>	14 0
Amounts owed by fellow subsidiary undertakings	<b>0.6</b>	0 3
Other debtors	<b>0.6</b>	0 7
Prepayments and accrued income	<b>0 4</b>	2 8
	<b>13.3</b>	17 8

Amounts owed by fellow subsidiary undertakings are unsecured, interest free and have no fixed date of repayment

**13 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2009</b>	<b>2008</b>
	<b>£m</b>	<b>£m</b>
Trade creditors	<b>1.3</b>	3 3
Amounts owed to fellow subsidiary undertakings	<b>37.1</b>	45 8
Other creditors	<b>1.1</b>	0 7
Accruals and deferred income	<b>4.5</b>	0 4
	<b>44.0</b>	50 2

Amounts owed to fellow subsidiary undertakings are unsecured, interest free and have no fixed date of repayment

**14 DEFERRED TAXATION**

The full potential deferred taxation asset, which has not been recognised, is as follows

	<b>2009</b>	<b>2008</b>
	<b>£m</b>	<b>£m</b>
Depreciation in excess of capital allowances	<b>0.3</b>	0 2
Other timing differences	<b>0.5</b>	0 2
	<b>0.8</b>	0 4

The directors consider that there is insufficient certainty that there will be taxable profits within the Pentland Group plc tax group in the foreseeable future such as to realise the deferred tax asset, and therefore the asset has not been recognised in these financial statements



## 15 CALLED UP SHARE CAPITAL

	2009 £m	2008 £m
<b>Authorised</b>		
22,390,895 ordinary shares of £1 each	22.4	22.4
	<hr/>	<hr/>
	2009 £m	2008 £m
<b>Allotted and fully paid</b>		
20,115,531 ordinary shares of £1 each	20.1	20.1
	<hr/>	<hr/>

## 16 RESERVES

	Revaluation reserve £m	Profit and loss account £m
At 1 January 2009	0.2	(6.2)
Profit for the financial year	-	(2.0)
	<hr/>	<hr/>
<b>At 31 December 2009</b>	<b>0.2</b>	<b>(8.2)</b>
	<hr/>	<hr/>

## 17 COMMITMENTS AND CONTINGENCIES

Bank overdrafts are reported gross but the company and its UK fellow subsidiary undertakings have arrangements with their clearing banks whereby sterling and, if applicable, US dollar and euro cleared credit balances are set off against the respective sterling and foreign currency cleared debit balances on their current accounts and interest is paid only on the aggregate net overdrafts.

The company is party to a guarantee in favour of its bank regarding the aggregate indebtedness on the cleared current account balances in sterling, US dollars and euros, respectively, of Pentland Group plc and of several UK fellow subsidiaries, which together comprise the overdraft group and participate in the set-off arrangements with the bank.

The company's liability under the guarantee is limited to the lower of the account indebtedness of the relevant group companies and its own current account credit balances in sterling and the respective foreign currencies with the bank.

The company had the following annual commitments under non-cancellable operating leases:

	2009 £m	2008 £m
<b>Land and buildings</b>		
Leases expiring, Over 5 years	1.0	0.2
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**18 RELATED PARTIES**

Pentland Group plc, of which the company is a wholly owned subsidiary, has presented in its consolidated financial statements, which are publicly available, a related parties disclosure note under the provisions of Financial Reporting Standard 8 Related Party Disclosures (FRS 8). Accordingly, the company has taken advantage of the exemption available under FRS 8 to dispense with disclosing related party transactions with entities within the group, or investees of the group, qualifying as related parties.

Related party transactions with JD Sports Fashion plc in 2009 comprised sales of £0.3m (2008: £0.3m).

**19 PARENT UNDERTAKING AND CONTROLLING PARTY**

The immediate and ultimate parent undertaking is Pentland Group plc, a company registered in England. R. S. Rubin and his close family are considered the ultimate controlling party by virtue of their control of Pentland Group plc. Consolidated financial statements have been prepared by Pentland Group plc, which is the parent undertaking of the smallest and largest group of undertakings to consolidate these financial statements for the year ended 31 December 2009. The consolidated financial statements of Pentland Group plc can be obtained from the company's registered office at 8 Manchester Square, London W1U 3PH.