

Gossard (Holdings) Limited

Directors' report and financial statements

30 June 2007



Gossard (Holdings) Limited
Company Information

DIRECTORS

M Ellis
S M Llewellyn

SECRETARY AND REGISTERED OFFICE

N Russ
PO Box 54
Haydn Road
Nottingham
NG5 1DH

AUDITORS

KPMG LLP
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Gossard (Holdings) Limited
Directors' Report

The directors present their directors' report and financial statements for the year ended 30 June 2007

Review of the business

During the year the Company has not traded. Income from shares in subsidiary undertakings of £74,000 was received and a profit after taxation of £86,000 (2006 £35,000 loss) was transferred to reserves as detailed in the profit and loss account on page 5.

The management of the business and the execution of the Company's strategy are subject to a number of risks. The Company's exposure to financial risk is limited to exposure on related party loans. The risk of foreign exchange exposure and other financial risks are insignificant, and as such no further derivative instruments are used.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Dividends

During the year the Company paid an ordinary dividend of £4,332,000 to its parent. The dividend has been paid in specie by a reduction in the debtor due from group undertakings.

Directors & directors' interests

The directors who served during the year and subsequently are noted on page 1.

Auditors

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office.

On behalf of the board



M Ellis
Director

18 January 2008

Gossard (Holdings) Limited

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 the financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and 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, and
- prepare the financial statements on a 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 its financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Report of the independent auditors to the members of Gossard (Holdings) Limited

We have audited the financial statements of Gossard (Holdings) Limited for the year ended 30 June 2007 which comprise the profit and loss account, the balance sheet and the related notes. 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 auditor's 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, 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 UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities on page 3.

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 also 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 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 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements.



KPMG LLP
Chartered Accountants
Registered Auditor
Nottingham

18 January 2008

Gossard (Holdings) Limited
Profit and Loss Account
Year ended 30 June 2007

	Note	2007 £ 000	2006 £ 000
Administrative expenses		-	(23)
Operating profit / (loss)	2 - 3	<u>-</u>	<u>(23)</u>
Income from shares in group undertakings		74	-
Profit / (loss) before taxation		<u>74</u>	<u>(23)</u>
Taxation	4	12	(12)
Profit / (loss) for the year	9	<u><u>86</u></u>	<u><u>(35)</u></u>

All of the above results have arisen from continuing activities

There are no recognised gains or losses in either year other than the result for that year

Gossard (Holdings) Limited
Balance Sheet
At 30 June 2007

	Note	2007 £ 000	2006 £ 000
Fixed assets			
Investments	5	14	14
Current assets			
Debtors	6	1,758	6,078
Creditors: amounts falling due within one year	7	(12)	(86)
Net current assets		<u>1,746</u>	<u>5,992</u>
Net assets		<u><u>1,760</u></u>	<u><u>6,006</u></u>
Capital and reserves			
Called up share capital	8	1,097	1,097
Share premium account	9	663	663
Profit and loss account	9	-	4,246
Shareholders' funds	10	<u><u>1,760</u></u>	<u><u>6,006</u></u>

The accounts on pages 5 to 10 were approved by the board of directors on 18 January 2008 and signed on its behalf by



M Ellis
Director

Gossard (Holdings) Limited
Notes to the Accounts
At 30 June 2007

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group

Cash flow statement

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

Related party transactions

As the Company is a wholly owned subsidiary of Courtaulds Clothing Brands Limited, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Courtaulds Clothing Brands Limited, within which this Company is included, can be obtained from the address given in note 11

Investments held as fixed assets

Investments in subsidiary undertakings are stated at cost less provision for impairment

Taxation

The charge for taxation is based on the profit / loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and gains and losses on translation are included in the profit and loss account

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital exclude amounts in relation to those shares

Gossard (Holdings) Limited
Notes to the Accounts
At 30 June 2007

1 Accounting policies (continued)

Classification of financial instruments issued by the Company (continued)

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges
Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds

Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements

2 Operating loss	2007	2006
	£ 000	£ 000

This is stated after charging

Provision against amount owed by group undertaking	<u>-</u>	<u>23</u>
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Auditors' remuneration has been borne by other group companies

3 Directors' remuneration

None of the directors received any emoluments or accrued retirement benefits under defined contribution or defined benefit pension schemes in respect of their services to the company (2006 £nil)

The average number of employees during the year was nil (2006 nil)

4 Taxation	2007	2006
	£ 000	£ 000

Analysis of charge in the period

UK corporation tax

Current tax on income for the period	-	12
Adjustments in respect of prior periods	<u>(12)</u>	<u>-</u>
	<u>(12)</u>	<u>12</u>

Factors affecting the tax charge for the current period

The current tax for the period is lower (2006 higher) than the standard rate of corporation tax in the UK of 30% (2006 30%). The differences are explained below

Profit / (loss) on ordinary activities before taxation	<u>74</u>	<u>(23)</u>
Current tax at 30% (2006 30%)	22	(7)
Effects of		
Additional tax benefits / non-taxable income	(22)	-
Transfer pricing adjustment	(1)	85
Group relief	1	(73)
Provisions not deductible for tax	-	7
Adjustments to tax charge in respect of previous periods	<u>(12)</u>	<u>-</u>
	<u>(12)</u>	<u>12</u>

Gossard (Holdings) Limited
Notes to the Accounts
At 30 June 2007

5 Investments

	Investments in subsidiary £ 000
Cost	
At 30 June 2006 and 30 June 2007	<u>927</u>
Provision	
At 30 June 2006 and 30 June 2007	<u>913</u>
Net book value	
At 30 June 2006 and 30 June 2007	<u>14</u>

	Country of registration or incorporation	Ordinary Share Capital	Nature of business
The subsidiary undertakings are			
Name			
Gossard Limited	England & Wales	100%	Non-trading
SATG (Cape Town) (Pty) Limited	South Africa	100%	Non-trading
Kayser (South Africa) (Pty) Limited	South Africa	100%	Non-trading

All the subsidiary companies operate in the country of incorporation. Subsidiary undertakings incorporated in the United Kingdom are registered in England and Wales.

In the opinion of the directors, the aggregate value of the shares in and amounts owing from the subsidiary undertakings is not less than the aggregate of the amounts at which these items are stated in the company's balance sheet.

6 Debtors	2007	2006
	£ 000	£ 000
Amounts owed by group undertakings	1,746	6,078
Other debtors	12	-
	<u>1,758</u>	<u>6,078</u>
7 Creditors: amounts falling due within one year	2007	2006
	£ 000	£ 000
Amounts owed to group undertakings	12	74
Corporation tax	-	12
	<u>12</u>	<u>86</u>

Gossard (Holdings) Limited
Notes to the Accounts
At 30 June 2007

8 Share capital	2007	2006	2007	2006
	No.	No.	£ 000	£ 000
Authorised:				
Ordinary shares of 25 pence each	5,400,000	5,400,000	<u>1,350</u>	<u>1,350</u>
Allotted, called up and fully paid:				
Ordinary shares of 25 pence each	4,390,000	4,390,000	<u>1,097</u>	<u>1,097</u>
9 Share premium and reserves			Share premium account	Profit and loss account
			£ 000	£ 000
At 30 June 2006			663	4,246
Profit for the year			-	86
Dividends on shares classified in shareholders' funds			-	(4,332)
At 30 June 2007			<u>663</u>	<u>-</u>
10 Reconciliation of movement in shareholders' funds			2007	2006
			£ 000	£ 000
Profit / (loss) for the year			86	(35)
Dividends on shares classified in shareholders' funds			(4,332)	-
Opening shareholders' funds			<u>6,006</u>	<u>6,041</u>
Closing shareholders' funds			<u>1,760</u>	<u>6,006</u>

11 Ultimate parent undertaking

The Company is a subsidiary of Huit Holdings Limited which is the ultimate parent company incorporated in Hong Kong. The ultimate controlling party is Ng Man Choong, the beneficial shareholder of 100% of Huit Holdings Limited.

The only group in which the results of the Company are consolidated is that headed by its parent, Courtaulds Clothing Brands Limited, a company incorporated in England and Wales. The consolidated financial statements of Courtaulds Clothing Brands Limited are available to the public and may be obtained from

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