

Company Registration No. 622183 (England and Wales)

SHUBETTE OF LONDON LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

FRIDAY



L4GR1B19

LD5

26/06/2009

237

COMPANIES HOUSE

NLP

SHUBETTE OF LONDON LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3
Abbreviated profit and loss account	4
Abbreviated balance sheet	5
Cash flow statement	6
Notes to the cash flow statement	7
Notes to the abbreviated accounts	8 - 15

SHUBETTE OF LONDON LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2008

The directors present their report and financial statements for the year ended 30 September 2008.

Principal activities and review of the business

The principal activity of the company is the design of contemporary and modern own-brand and private-label fashion clothing.

The results for the year show a pre-tax profit of £83,375 (2007: £9,617,050).

Future outlook

The external commercial environment is expected to remain competitive in 2009. However, the directors remain confident that the company will maintain its current level of performance in the future.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to the acceptance of product and design by the customers of the company.

Key performance indicators ("KPIs")

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

Market value of land and buildings

The directors are of the opinion that the market value of freehold land and buildings exceeds its net book value.

Directors

The following directors have held office since 1 October 2007:

G B Offenbach

C D Offenbach

Charitable contributions

Charitable donations paid during the year amounted to £12,780 (2007: £15,224). In addition, the company contributed goods to the value of £10,420 (2007: £14,300) to charitable causes during the period.

Financial instruments

The company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to finance the company's operations. Due to the nature of financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a continuity of funding. Trade debtors are managed in respect of credit and cash flow risks by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. Trade creditors liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due.

SHUBETTE OF LONDON LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2008

Directors' responsibilities

The directors are responsible for preparing 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 those 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;
- 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.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the Board



P A Weber

Secretary

8 December 2008

Nyman Libson Paul

Chartered accountants

Regina House, 124 Finchley Road, London NW3 5JS

t: 020 7433 2400 f: 020 7433 2401

e: mail@nlpca.co.uk dx: 38864 Swiss Cottage

www.nlpca.co.uk

**NYman
LIBSON
PAUL**

SHUBETTE OF LONDON LIMITED

**INDEPENDENT AUDITORS' REPORT TO SHUBETTE OF LONDON LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated financial statements set out on pages 4 to 15, together with the financial statements of Shubette of London Limited for the year ended 30 September 2008 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report on abbreviated financial statements 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated financial statements have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of audit opinion

We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated financial statements have been properly prepared in accordance with that provision.



Nyman Libson Paul

8 December 2008

Chartered Accountants
& Registered Auditors

SHUBETTE OF LONDON LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Notes	2008 £	2007 £
Gross profit		6,582,855	4,594,847
Distribution costs		(2,763,352)	(2,265,967)
Administrative expenses		(3,943,285)	(2,584,664)
Other operating income		17,500	30,000
Operating loss	2	(106,282)	(225,784)
Profit on sale of property		-	9,485,902
(Loss)/profit on ordinary activities before interest		(106,282)	9,260,118
Other interest receivable and similar income		260,943	433,957
Interest payable and similar charges	4	(71,286)	(77,025)
Profit on ordinary activities before taxation		83,375	9,617,050
Tax on profit on ordinary activities	5	(70,664)	(60,497)
Profit for the year	13	12,711	9,556,553

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

SHUBETTE OF LONDON LIMITED

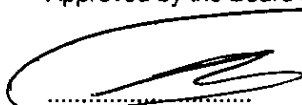
ABBREVIATED BALANCE SHEET

AS AT 30 SEPTEMBER 2008

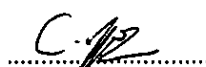
	Notes	2008 £	£	2007 £	£
Fixed assets					
Tangible assets	6	7,385,610		5,053,614	
Current assets					
Stocks	7	798,558		724,519	
Debtors	8	3,303,841		2,453,721	
Cash at bank and in hand		5,141,510		7,611,700	
		9,243,909		10,789,940	
Creditors: amounts falling due within one year	9	(3,772,021)		(2,958,767)	
Net current assets		5,471,888		7,831,173	
Total assets less current liabilities		12,857,498		12,884,787	
Creditors: amounts falling due after more than one year	10	(400,000)		(440,000)	
		12,457,498		12,444,787	
Capital and reserves					
Called up share capital	12	1,000,000		1,000,000	
Profit and loss account	13	11,457,498		11,444,787	
Shareholders' funds	14	12,457,498		12,444,787	

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

Approved by the Board and authorised for issue on 8 December 2008 and signed on its behalf by:



G B Offenbach
Director



C D Offenbach
Director

SHUBETTE OF LONDON LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2008

	£	2008 £	£	2007 £
Net cash inflow from operating activities		19,618		1,297,595
Returns on investments and servicing of finance				
Interest received	260,943		433,957	
Interest paid	(71,286)		(77,025)	
Net cash inflow for returns on investments and servicing of finance		189,657		356,932
Taxation		(58,162)		(61,499)
Capital expenditure				
Payments to acquire tangible assets	(2,563,928)		(5,066,203)	
Receipts from sales of tangible assets	-		10,848,835	
Net cash (outflow)/inflow for capital expenditure		(2,563,928)		5,782,632
Net cash (outflow)/inflow before management of liquid resources and financing		(2,412,815)		7,375,660
Financing				
Repayment of long term bank loan	(40,000)		(40,000)	
Net cash outflow from financing		(40,000)		(40,000)
(Decrease)/increase in cash in the year		(2,452,815)		7,335,660

SHUBETTE OF LONDON LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2008

1	Reconciliation of operating loss to net cash inflow from operating activities	2008	2007
		£	£
	Operating loss	(106,282)	(225,784)
	Depreciation of tangible assets	203,650	145,688
	Loss/(profit) on disposal of tangible assets	28,282	(15,453)
	(Increase)/decrease in stocks	(74,039)	250,222
	(Increase)/decrease in debtors	(850,120)	638,015
	Increase in creditors within one year	818,127	504,907
	Net cash inflow from operating activities	19,618	1,297,595

2	Analysis of net funds	1 October 2007	Cash flow	Other non-cash changes	30 September 2008
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	7,611,700	(2,470,190)	-	5,141,510
	Bank overdrafts	(17,375)	17,375	-	-
		<u>7,594,325</u>	<u>(2,452,815)</u>	<u>-</u>	<u>5,141,510</u>
	Bank deposits	-	-	-	-
	Debt:				
	Debts falling due within one year	(40,000)	-	-	(40,000)
	Debts falling due after one year	(440,000)	40,000	-	(400,000)
		<u>(480,000)</u>	<u>40,000</u>	<u>-</u>	<u>(440,000)</u>
	Net funds	7,114,325	(2,412,815)	-	4,701,510

3	Reconciliation of net cash flow to movement in net funds	2008	2007
		£	£
	(Decrease)/increase in cash in the year	(2,452,815)	7,335,660
	Cash outflow from decrease in debt	40,000	40,000
	Movement in net funds in the year	(2,412,815)	7,375,660
	Opening net funds/(debt)	7,114,325	(261,335)
	Closing net funds	4,701,510	7,114,325

SHUBETTE OF LONDON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2008

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods net of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	- 2% on cost
Plant and machinery	- 15% on written down value
Computer equipment	- 33.3% on written down value
Fixtures, equipment & motor vehicles	- 20% on written down value

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stock

Stock is valued on a first in first out basis at the lower of cost and net realisable value.

1.6 Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions paid to the fund during the year.

1.7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

SHUBETTE OF LONDON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

2	Operating loss	2008	2007
		£	£
	Operating loss is stated after charging:		
	Depreciation of tangible assets	203,650	145,688
	Loss on disposal of tangible assets	28,282	-
	Loss on foreign exchange transactions	-	36,643
	Operating lease rentals	150,530	172,591
	Auditors' remuneration (including expenses and benefits in kind)	21,500	21,000
	and after crediting:		
	Profit on disposal of tangible assets	-	(15,453)
	Profit on foreign exchange transactions	(84,016)	-
		<u> </u>	<u> </u>
3	Investment income	2008	2007
		£	£
	Bank interest	260,943	433,957
		<u> </u>	<u> </u>
		260,943	433,957
		<u> </u>	<u> </u>
4	Interest payable	2008	2007
		£	£
	Other loan interest	71,249	77,007
	Bank overdraft	37	18
		<u> </u>	<u> </u>
		71,286	77,025
		<u> </u>	<u> </u>

SHUBETTE OF LONDON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

5	Taxation	2008 £	2007 £
	Domestic current year tax		
	U.K. corporation tax	70,664	58,161
	Adjustment for prior years	-	2,336
	Current tax charge	<u>70,664</u>	<u>60,497</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>83,375</u>	<u>9,617,050</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21.45% (2007 - 19.50%)	<u>17,884</u>	<u>1,875,325</u>
	Effects of:		
	Non deductible expenses	20,140	24,745
	Depreciation add back	43,683	19,005
	Capital allowances	(18,439)	(8,962)
	Adjustments to previous periods	-	(2,336)
	Ineligible profit on disposal	6,066	(1,846,597)
	Provisions tax adjustment	1,330	(683)
		<u>52,780</u>	<u>(1,814,828)</u>
	Current tax charge	<u>70,664</u>	<u>60,497</u>

SHUBETTE OF LONDON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

6 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, equipment & motor vehicles	Total
	£	£	£	£
Cost				
At 1 October 2007	5,001,254	151,813	540,357	5,693,424
Additions	2,414,340	12,491	137,097	2,563,928
Disposals	-	(83,326)	(220,461)	(303,787)
At 30 September 2008	7,415,594	80,978	456,993	7,953,565
Depreciation				
At 1 October 2007	100,025	140,340	399,445	639,810
On disposals	-	(81,359)	(194,146)	(275,505)
Charge for the year	148,314	3,299	52,037	203,650
At 30 September 2008	248,339	62,280	257,336	567,955
Net book value				
At 30 September 2008	7,167,255	18,698	199,657	7,385,610
At 30 September 2007	4,901,229	11,473	140,912	5,053,614

7 Stocks

	2008 £	2007 £
Raw materials and consumables	389,034	300,151
Finished goods and goods for resale	409,524	424,368
	798,558	724,519

SHUBETTE OF LONDON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

8 Debtors	2008	2007
	£	£
Trade debtors	2,472,897	1,607,049
Amounts owed by parent undertakings	723,292	723,292
Other debtors	76,684	83,481
Prepayments and accrued income	30,968	39,899
	<u>3,303,841</u>	<u>2,453,721</u>

Amounts falling due after more than one year and included in the debtors above are:

	2008	2007
	£	£
Other debtors	-	20,000
	<u>-</u>	<u>20,000</u>

9 Creditors: amounts falling due within one year	2008	2007
	£	£
Bank overdraft	-	17,375
Trade creditors	889,940	841,276
Corporation tax	70,663	58,161
Other taxes and social security costs	246,970	170,963
Other creditors	49,745	457,435
Accruals and deferred income	2,514,703	1,413,557
	<u>3,772,021</u>	<u>2,958,767</u>
Debt due in one year or less	<u>40,000</u>	<u>40,000</u>

Bank overdrafts are secured by way of a charge over the freehold property and a fixed and floating charge over all the assets of the company.

Other loans are secured by debentures granting a floating charge over all the assets of the company.

SHUBETTE OF LONDON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

10 Creditors: amounts falling due after more than one year	2008 £	2007 £
Other loans	400,000	440,000
Analysis of loans		
Wholly repayable within five years by instalments	400,000	400,000
Not wholly repayable within five years	40,000	80,000
	440,000	480,000
Included in current liabilities	(40,000)	(40,000)
	400,000	440,000
Loan maturity analysis		
In more than one year but not more than two years	40,000	40,000
In more than two years but not more than five years	320,000	320,000
In more than five years	40,000	80,000

Bank overdrafts are secured by way of a charge over the freehold property and a fixed and floating charge over all the assets of the company.

Other loans are secured by debentures granting a floating charge over all the assets of the company.

11 Pension and other post-retirement benefit commitments

Defined contribution

	2008 £	2007 £
Contributions payable by the company for the year	51,808	177,900

12 Share capital	2008 £	2007 £
Authorised		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000
Allotted, called up and fully paid		
1,000,000 Ordinary shares of £1 each	1,000,000	1,000,000

SHUBETTE OF LONDON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2007	11,444,787
Profit for the year	12,711
Balance at 30 September 2008	11,457,498

14 Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit for the financial year	12,711	9,556,553
Opening shareholders' funds	12,444,787	2,888,234
Closing shareholders' funds	12,457,498	12,444,787

15 Contingent liabilities

Documentary letters of credits outstanding at the balance sheet date amounted to £178,145 (2007: £324,300)

16 Financial commitments

At 30 September 2008 the company was committed to making the following payments under non-cancellable operating leases in the year to 30 September 2009:

	Land and buildings		Other	
	2008	2007	2008	2007
	£	£	£	£
Operating leases which expire:				
Within one year	-	-	2,714	5,214
Between two and five years	-	-	23,147	29,433
In over five years	14,000	14,000	-	-
	14,000	14,000	25,861	34,647

17 Capital commitments

At the year end the company was committed to capital expenditure of £129,000 relating to improvements to its freehold premises.

SHUBETTE OF LONDON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2008

18 Directors' emoluments	2008 £	2007 £
Emoluments for qualifying services	2,200,782	1,050,201
Company pension contributions to money purchase schemes	-	25,000
	<u>2,200,782</u>	<u>1,075,201</u>
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	<u>1,468,189</u>	<u>681,059</u>

Retirement benefits are accruing to two directors under a money purchase pension scheme.

19 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2008 Number	2007 Number
Management	3	3
Administration, production and sales	64	59
	<u>67</u>	<u>62</u>

Employment costs

	2008 £	2007 £
Wages and salaries	4,049,588	2,695,496
Social security costs	489,208	318,049
Other pension costs	51,808	177,900
	<u>4,590,604</u>	<u>3,191,445</u>

20 Ultimate parent company

The ultimate parent company is Shubette Group of Companies Limited, a non-trading company registered in England and Wales.