

Company Registration No. 622183 (England and Wales)

**SHUBETTE OF LONDON LIMITED**  
**ABBREVIATED ACCOUNTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2001**



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# SHUBETTE OF LONDON LIMITED

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# SHUBETTE OF LONDON LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2001

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The directors present their report and financial statements for the year ended 30 September 2001.

### Principal activities and review of the business

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

### Results and dividends

The results for the year are set out on page 3.

### 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 2000:

G B Offenbach

C D Offenbach

### Directors' interests

None of the directors had an interest in the shares of the company. Directors' interests in the shares of the parent company are shown in the Report of the Directors of that company.

### Auditors

A resolution to re-appoint Nyman Libson Paul as auditors to the company will be proposed at the forthcoming Annual General Meeting.

### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



P A Weber

Secretary

6 December 2001



**Nyman Libson Paul**  
CHARTERED ACCOUNTANTS

Regina House, 124 Finchley Road, London NW3 5JS

**SHUBETTE OF LONDON LIMITED**

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

We have examined the abbreviated accounts set out on pages 3 to 13, together with the financial statements of the company for the year ended 30 September 2001 prepared under section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated accounts 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 accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

**Opinion**

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 13 are properly prepared in accordance with that provision.

**Nyman Libson Paul**

6 December 2001

Chartered Accountants  
& Registered Auditors

# SHUBETTE OF LONDON LIMITED

## ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2001

	Notes	2001 £	2000 £
<b>Gross profit</b>		3,085,753	3,222,587
Distribution costs		(1,147,398)	(1,137,856)
Administrative expenses		(1,736,556)	(1,926,806)
Other operating income		12,780	-
<b>Operating profit</b>	<b>2</b>	<b>214,579</b>	<b>157,925</b>
Other interest receivable and similar income		1,967	1,154
Interest payable and similar charges	<b>3</b>	(107,711)	(126,586)
<b>Profit on ordinary activities before taxation</b>		<b>108,835</b>	<b>32,493</b>
Tax on profit on ordinary activities	<b>4</b>	(40,634)	(27,599)
<b>Profit on ordinary activities after taxation</b>	<b>13</b>	<b>68,201</b>	<b>4,894</b>


# SHUBETTE OF LONDON LIMITED

## ABBREVIATED BALANCE SHEET AS AT 30 SEPTEMBER 2001

	Notes	£	2001 £	£	2000 £
<b>Fixed assets</b>					
Tangible assets	5		1,717,541		1,770,858
<b>Current assets</b>					
Stocks	6	984,235		952,764	
Debtors	7	2,518,544		2,706,410	
Cash at bank and in hand		2,950		93,176	
		3,505,729		3,752,350	
<b>Creditors: amounts falling due within one year</b>	8	(1,532,310)		(2,013,949)	
<b>Net current assets</b>			1,973,419		1,738,401
<b>Total assets less current liabilities</b>			3,690,960		3,509,259
<b>Creditors: amounts falling due after more than one year</b>	9		(1,216,958)		(1,103,458)
			2,474,002		2,405,801
<b>Capital and reserves</b>					
Called up share capital	12		1,000,000		1,000,000
Profit and loss account	13		1,474,002		1,405,801
<b>Shareholders' funds</b>	14		2,474,002		2,405,801

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.

The financial statements were approved by the Board on 6th Dec 2001 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 2001

	2001 £	2000 £
<b>Net cash inflow from operating activities</b>	344,740	415,568
<b>Returns on investments and servicing of finance</b>		
Interest received	1,967	1,154
Interest paid	(107,711)	(126,586)
<b>Net cash outflow for returns on investments and servicing of finance</b>	(105,744)	(125,432)
<b>Taxation</b>	(27,919)	(21,105)
<b>Capital expenditure</b>		
Payments to acquire tangible assets	(67,705)	(125,646)
Receipts from sales of tangible assets	10,050	4,425
<b>Net cash outflow for capital expenditure</b>	(57,655)	(121,221)
<b>Net cash inflow before management of liquid resources and financing</b>	153,422	147,810
<b>Financing</b>		
New long term loan	200,000	415,000
Repayment of other long term loans	-	(215,000)
Repayment of long term bank loan	(286,500)	(100,917)
Capital element of finance lease contracts	-	(9,327)
<b>Net cash inflow/(outflow) from financing</b>	(86,500)	89,756
<b>Increase in cash in the year</b>	66,922	237,566

# SHUBETTE OF LONDON LIMITED

## NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2001

1	Reconciliation of operating profit to net cash inflow from operating activities	2001	2000
		£	£
	Operating profit	214,579	157,925
	Depreciation of tangible assets	101,558	110,280
	Loss on disposal of tangible assets	9,414	2,686
	(Increase)/decrease in stocks	(31,471)	329,310
	Decrease/(increase) in debtors	187,866	(208,948)
	(Decrease)/Increase in creditors within one year	(137,206)	24,315
	<b>Net cash inflow from operating activities</b>	<b>344,740</b>	<b>415,568</b>

2	Analysis of net debt	1 October 2000	Cash flow	Other non-cash changes	30 September 2001
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	93,176	(90,226)		2,950
	Bank overdrafts	(525,272)	70,648		(454,624)
		<u>(432,096)</u>	<u>(19,578)</u>		<u>(451,674)</u>
	Debt:				
	Debts falling due within one year	(286,500)	286,500	(86,500)	(86,500)
	Debts falling due after one year	(1,103,458)	(200,000)	86,500	(1,216,958)
		<u>(1,389,958)</u>	<u>86,500</u>	<u>-</u>	<u>(1,303,458)</u>
	Net debt	<u>(1,822,054)</u>	<u>66,922</u>	<u>-</u>	<u>(1,755,132)</u>

3	Reconciliation of net cash flow to movement in net debt	2001	2000
		£	£
	(Decrease)/increase in cash in the year	(19,578)	237,566
	Cash outflow/(inflow) from decrease/(increase) in debt	86,500	(89,754)
	<b>Movement in net debt in the year</b>	<b>66,922</b>	<b>147,812</b>
	Opening net debt	(1,822,054)	(1,969,866)
	<b>Closing net debt</b>	<b>(1,755,132)</b>	<b>(1,822,054)</b>



# SHUBETTE OF LONDON LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2001

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Turnover

Turnover represents net amounts invoiced in respect of goods supplied during the year excluding Value Added Tax.

#### 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
Motor vehicles	- 20% on written down value

#### 1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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 taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

#### 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 FOR THE YEAR ENDED 30 SEPTEMBER 2001

<b>2</b>	<b>Operating profit</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Depreciation of tangible assets	101,558	110,280
	Operating lease rentals		
	- Plant and machinery	34,431	34,731
	- Other assets	14,653	16,374
	Auditors' remuneration	18,000	18,000
	Loss on sale of fixed assets	9,414	2,686
		<hr/>	<hr/>
<b>3</b>	<b>Interest payable</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	On loans	35,596	21,370
	Bank borrowings	72,115	101,688
	Hire purchase interest	-	3,528
		<hr/>	<hr/>
		107,711	126,586
		<hr/>	<hr/>
<b>4</b>	<b>Taxation</b>	<b>2001</b>	<b>2000</b>
		<b>£</b>	<b>£</b>
	<b>U.K. current year taxation</b>		
	U.K. corporation tax at 20% (2000 - 20.5%)	40,309	27,599
	<b>Prior years</b>		
	U.K. corporation tax	325	-
		<hr/>	<hr/>
		40,634	27,599
		<hr/>	<hr/>

# SHUBETTE OF LONDON LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2001

### 5 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 October 2000	2,102,443	153,366	658,886	2,914,695
Additions	-	200	67,505	67,705
Disposals	-	(9,113)	(162,244)	(171,357)
At 30 September 2001	2,102,443	144,453	564,147	2,811,043
<b>Depreciation</b>				
At 1 October 2000	529,292	139,271	475,274	1,143,837
On disposals	-	(8,593)	(143,300)	(151,893)
Charge for the year	42,049	2,067	57,442	101,558
At 30 September 2001	571,341	132,745	389,416	1,093,502
<b>Net book value</b>				
At 30 September 2001	1,531,102	11,708	174,731	1,717,541
At 30 September 2000	1,573,151	14,095	183,612	1,770,858
At 30 September 2000				4,526
30 September 2000				2,266

### 6 Stocks

	2001 £	2000 £
Raw materials and consumables	514,951	505,094
Finished goods and goods for resale	469,284	447,670
	984,235	952,764

### 7 Debtors

	2001 £	2000 £
Trade debtors	1,750,232	1,948,138
Amounts owed by parent and fellow subsidiary undertakings	723,292	723,292
Other debtors	20,128	14,734
Prepayments and accrued income	24,892	20,246
	2,518,544	2,706,410

# SHUBETTE OF LONDON LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2001

8	Creditors: amounts falling due within one year	2001 £	2000 £
	Bank loans and overdrafts (Note 9)	541,124	811,772
	Trade creditors	706,179	887,346
	Corporation tax	40,309	27,594
	Other taxes and social security costs	118,546	151,937
	Other creditors	8,489	3,138
	Accruals and deferred income	117,663	132,162
		<u>1,532,310</u>	<u>2,013,949</u>
9	Creditors: amounts falling due after more than one year	2001 £	2000 £
	Other loans	615,000	415,000
	Bank loans	601,958	688,458
		<u>1,216,958</u>	<u>1,103,458</u>
	<b>Analysis of loans</b>		
	Wholly repayable within five years	1,303,458	1,389,958
	Included in current liabilities	(86,500)	(286,500)
		<u>1,216,958</u>	<u>1,103,458</u>
	<b>Loan maturity analysis</b>		
	Between two and five years	1,047,500	761,000
	In five years or more	255,958	342,458
		<u>1,303,458</u>	<u>1,103,458</u>

Bank loans and 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.

The bank loan is repayable in quarterly instalments.

### 10 Provisions for liabilities and charges

No provision has been made for taxation of approximately £400,000 in respect of a capital gain made during 1988 which was deferred. In the opinion of the directors, it is unlikely that this will become payable in the foreseeable future.

# SHUBETTE OF LONDON LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2001

### 11 Pension costs

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 payable by the company to the fund and amounted to £200,000 (2000 - £400,000). There are no contributions outstanding at the year end.

12 Share capital	2001 £	2000 £
<b>Authorised</b>		
1,000,000 Ordinary shares of £ 1 each	1,000,000	1,000,000
<b>Allotted, called up and fully paid</b>		
1,000,000 Ordinary shares of £ 1 each	1,000,000	1,000,000

### 13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2000	1,405,801
Retained profit for the year	68,201
Balance at 30 September 2001	1,474,002

14 Reconciliation of movements in shareholders' funds	2001 £	2000 £
Profit for the financial year	68,201	4,894
Opening shareholders' funds	2,405,801	2,400,907
Closing shareholders' funds	2,474,002	2,405,801

# SHUBETTE OF LONDON LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2001

### 15 Financial commitments

At 30 September 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			
	2001	2000	2001	Other 2000
	£	£	£	£
Expiry date:				
Within one year	-	-	-	2,878
Between two and five years	14,000	14,000	36,144	24,341
	<u>14,000</u>	<u>14,000</u>	<u>36,144</u>	<u>27,219</u>

### 16 Directors' emoluments

	2001 £	2000 £
Emoluments for qualifying services	130,004	119,019
Company pension contributions to money purchase schemes	-	400,000
	<u>130,004</u>	<u>519,019</u>

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

### 17 Employees

#### Number of employees

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

	2001 Number	2000 Number
Management	3	3
Administration, production and sales	70	73
	<u>73</u>	<u>76</u>

#### Employment costs

	£	£
Wages and salaries	1,439,018	1,387,078
Social security costs	153,382	144,158
Other pension costs	202,600	402,600
	<u>1,795,000</u>	<u>1,933,836</u>

# **SHUBETTE OF LONDON LIMITED**

## **NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 SEPTEMBER 2001**

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### **18 Ultimate parent company**

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

### **19 Related party transactions**

A loan of £615,000 (2000: £415,000) was outstanding at the balance sheet date from the Shubette of London Limited Pension Plan whose beneficiaries are G B Offenbach, C D Offenbach and G Offenbach. Interest of £35,596 (1999: £21,370) was incurred during the year.

The company forms part of a wholly owned group for which consolidated financial statements are publicly available and accordingly has taken advantage of the exemption provided by Financial Reporting Standard 8: Related party disclosure transactions with its parent undertaking. Outstanding balances relating to the parent undertaking are disclosed within note 8.