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REPORT OF THE DIRECTORS OF LOUIS CARING (SALES) LIMITED

The Directors present their Report for the Year Ended 31 July 1975

DIRECTORS

SHAREHOLDINGS

	<u>31.7.75</u>	<u>31.7.74</u>	
L.Caring	3333	1	Ordinary Shares of £1 each
R.Caring	3333	1	" " " "
S.Caring (Mrs)	3333	1	" " " "
G.Lanzkron	-	-	
P.Brisebois	-	-	

The Issued Capital of the company was increased during the year by 9996 fully paid shares of £1 each which were allotted as a bonus issue from Revenue Reserve.

The Company is engaged in the manufacture and distribution of ladies outerwear.

Changes in the Fixed Assets during the year are detailed in Note 1 to the accounts.

	<u>Year Ended</u> <u>31.7.1975</u>	<u>Year Ended</u> <u>31.7.1974</u>
The <u>Net Profit</u> of the Group before Taxation was (Note 5)	624653	262567
Corporation Tax based thereon was	315081	146085
	<u>309572</u>	<u>116482</u>
Extraordinary Item (Note 10)	120969	
The Balance on Revenue Account at 1 August 74 was	460028	343546
Bonus Issue	(9996)	-
	<u> </u>	<u> </u>
Leaving unappropriated profits at 31 July 75 of	<u>£880573</u>	<u>£460028</u>

The value of the goods exported during the year amounted to £938526 (1974 £462270).

Expansion of the activities of the company and its wholly owned subsidiary, Jump Knitwear Limited continued during the year. Further funds are still required to finance overseas purchases and commitments of Jump Knitwear Limited which increased during the year.

No payment of any dividend is recommended as the company requires all its resources for its future activities and expansion thereof.

Messrs. Gordon Leighton & Co. have signified their willingness to continue to act as Auditors of the company,


Signed Secretary



Report of the Auditors to the Members

of

LOUIS CARING (SALES) LIMITED

In our opinion the annexed Balance Sheet and Profit and Loss Account together with notes thereon give, so far as concerns members of the Holding company, a true and fair view of the state of affairs at 31st July 1975 and of the profit for the year ended on that date of the company and the group, and comply with the Companies Acts 1948 and 1967.

59 Queen Anne Street

London W.1.

Signed Auditors
Chartered Accountants

Dated this 10th day of January 1977

LOUIS CARING (SALES) LIMITED & ITS SUBSIDIARY COMPANY

Consolidated Balance Sheet as at 31 July 1975

1974

<u>£</u>		<u>£</u>	<u>£</u>	<u>£</u>
68156	<u>Fixed Assets</u> (Note 1)			93671
8570	Interest in Subsidiary Company (Note 5)			7796
	<u>Current Assets</u>			
185133	Stock (Note 3)		375955	
511938	Trade & Sundry Debtors		1045879	
297900	Cash at Bank on Deposit		343169	
24389	Cash at Bank & in Hand		24048	
1019360			1789051	
	<u>Less Current Liabilities</u>			
385838	Trade Creditors & Sundry Creditors	617885		
20001	Directors' Current Accounts	4499		
26127	Corporation Tax	191228		
163181	Corporation Tax payable on 30.4.76	87469		
8961	Bank Overdraft			
604108			901081	
415252				887970
491978				989437
31947	<u>Less: Deferred Taxation</u> (Note 7)			98865
<u>£ 460031</u>				<u>£890572</u>

Represented By:

Share Capital

Authorised

1000	1000 Ordinary Shares of £1 each	1000
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Issued

3	9999 Ordinary Shares of £1 each, fully paid	9999
460028	<u>Revenue Account</u>	880573

Signed Director

Signed Director

£460031

£890572

LOUIS CARING (SALES) LIMITED & ITS SUBSIDIARY COMPANY

Consolidated Profit & Loss Account for the year ended 31 July 1975

1974

<u>£</u>		<u>£</u>	<u>£</u>
3391489	<u>GROUP TURNOVER</u>		<u>5228876</u>
262567	<u>GROUP PROFIT</u> before Taxation		624653
	After accounting for:		
	Directors Emoluments:		
-	Fees	-	
46189	Other	57350	
4500	Auditors Remuneration	9925	
-	Amortisation of Trade Mark	70	
2753	Amortisation of Lease	3576	
12574	Depreciation	18235	
13831	Bank Interest Receivable	30293	
148	Surplus on Sale of Motor Vehicle	1425	
	<u>TAXATION</u> based on Group Profit of the year		
145566	Corporation Tax (Note 6)	315081	
519	Corporation Tax adjustment in respect of previous years	-	
146085			<u>315081</u>
	<u>GROUP PROFIT</u> after Taxation		
30250	Holding Company	72564	
86232	Subsidiary Company	237008	
116482			309572
-	Extraordinary Item (Note 10)		120969
343546	Balance brought forward		<u>460028</u>
460028			890569
-	Bonus Issue made during the year		(9996)
	<u>BALANCE CARRIED TO CONSOLIDATED BALANCE SHEET</u>		
303543	Holding Company	366111	
156485	Subsidiary Company	514462	
£460028			<u>£880573</u>

LOUIS CARING (SALES) LIMITED & ITS SUBSIDIARY COMPANY

Notes forming an integral part of the Accounts for the

year ended 31 July 1975

1. FIXED ASSETS

	<u>At Cost</u>	<u>Disposal</u>	<u>Additions (at cost)</u>	<u>Aggregate Depreciation</u>	
- Trade Mark	-		1198	70	1128
Leasehold Premises	12701		5000	7668	10033
Improvements to Leasehold Premises	9606			1696	7910
Plant & Machinery	3886		525	2158	2253
Fixtures & Fittings	50539	(250)	17063	27749	39603
Motor Vehicles	35095	(22173)	41059	21237	32744
	<u>£111827</u>	<u>£(22423)</u>	<u>£ 64845</u>	<u>£ 60578</u>	<u>£ 93671</u>

2. LEASEHOLD PREMISES

The premises are held on short leases and the depreciation provided is calculated at such a rate as will amortise the cost of the leases over their lives.

3. STOCKS

These have been valued by the Directors at the lower of cost and net realisable value.

4. DIRECTORS REMUNERATION

	<u>Number of Directors</u>	
	<u>Period Ending 31.7.75</u>	<u>Year Ending 31.7.74</u>
Between £2500 and £5000 p.a.	-	1
" £5000 " £7500 p.a.	2	1
" £10000 " £12500 p.a.	3	3

5. SUBSIDIARY COMPANIES

a) Name of Company:	Jump Knitwear Limited (Wholly owned) incorporated in England	
b) Name of Company:	Acorn Dress Limited incorporated in England	
Shares Held:	70 Shares of £1 each (70% held)	70
Loan Account		<u>7726</u>
		<u>£7796</u>

The result of the activities of Acorn Dress Limited were not consolidated as not accounts have been prepared since the parent company acquired its interest in that company. The Directors consider that the results will not be material in relation to the whole of the group activities.

LOUIS CARING (SALES) LIMITED & ITS SUBSIDIARY COMPANY

Notes forming an integral part of the Accounts for the
year ended 31 July 1975

6. CORPORATION TAX

Corporation tax has been provided in the accounts at the rate of 52% and comprises of the following:

Corporation Tax on profit for the year		248163
<u>Deferred Taxation</u>		
In respect of Stock Relief	46945	
In respect of Fixed Assets	19973	
		<u>66918</u>
		<u>£315081</u>

7. DEFERRED TAXATION

The liability method has been used in the calculation of Deferred Taxation which is in respect of:

Stock Relief Claim	78892
Timing Difference of Net Book Value & Written Down Value of Fixed Assets	19973
	<u>£98865</u>

8. The Group had entered into irrecoverable documentary credits in respect of overseas suppliers which at 31st July 1975 amounted to £1,024,146 (1974 £468,118)
9. The bankers of the Group have a floating charge over the assets of the Group in respect of documentary credits granted to the Group.

10. EXTRAORDINARY ITEMS

Comprise:

i) <u>Extraordinary Credits</u>		
Surplus on disposal of Liability		267088
ii) <u>Extraordinary Charges</u>		
Loan Interest paid not charged to Profit & Loss Account	304413	
<u>Less: Tax Relief thereon</u>	158294	
		<u>146119</u>
		<u>£120969</u>

LOUIS CARING (SALES) LIMITED & ITS SUBSIDIARY COMPANY

Statement of Source & Application of Funds

for the year ended 31 July 1975

SOURCE OF FUNDS

		<u>£</u>
Profit before Taxation		624653
Adjustments for items not involving the movement of funds:		
Depreciation	18235	
Amortisation	3646	
Profit on Sale of Motor Vehicle	(212)	
	<hr/>	21669
Total Generated from Operations		<hr/> 646322

FUNDS FROM OTHER SOURCES

Sale of fixed assets	17660	
Loan	2002000	
	<hr/>	2019660
		<hr/> 2665982

APPLICATION OF FUNDS

Purchase of fixed assets	64845	
Tax paid	57064	
Repayment of Loan	1734912	
Exceptional Item - Loan Interest Paid	304413	
	<hr/>	2161234
		<hr/> £ 504748

INCREASE/DECREASE IN WORKING CAPITAL

Increase in Stock	190822	
Increase in Debtors	483995	
Increase in Creditors	(223958)	
Movement in net liquid funds		
Increase in Cash Balances	53889	
	<hr/>	£ 504748
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