

**Jump Knitwear Limited**  
(Company Number 895642)

**Report and Accounts**  
31st July 1992



**Cornins & Co**  
Chartered Accountants  
London, Ashford and Geneva

Member of the ICC  
international group

JUMP KNITWEAR LIMITED

31ST JULY 1992

CONTENTS

PAGE NOS

1 & 2	REPORT OF THE DIRECTOR
3	REPORT OF THE AUDITORS
4	CONSOLIDATED PROFIT AND LOSS ACCOUNT
5	CONSOLIDATED BALANCE SHEET
6	BALANCE SHEET
7	CONSOLIDATED CASH FLOW STATEMENT
8 - 19	NOTES TO THE ACCOUNTS

JUMP KNITWEAR LIMITED  
REPORT OF THE DIRECTOR

DIRECTOR:

S. Caring (Chairperson)

SECRETARY:

J.P. Service

The director submits her report and the group accounts for the year ended 31st July 1992.

1. REVIEW OF THE BUSINESS

The principal activity of the group during the year was the distribution of women's clothing and accessories.

The director expects the group to continue trading satisfactorily in the future.

	<u>1992</u>	<u>1991</u>
Turnover	£16,496,400 =====	£13,978,367 =====
Profit before taxation	297,075	437,465
Taxation	(119,361)	(88,524)
	<hr/>	<hr/>
Profit for the financial year	177,714	348,941
Minority interests	(32,276)	(2,445)
	<hr/>	<hr/>
Transfer to reserves	£ 145,438 =====	£ 346,496 =====

2. PROPOSED DIVIDEND

The director does not recommend the payment of a dividend (1991 : NIL).

3. DIRECTORS AND THEIR INTERESTS

The directors during the year and their interests in the share capital of the company (including beneficial interests) were as follows:-

At 1st August 1991  
and at 31st July 1992  
Ordinary Shares

S. Caring  
M. Bines (resigned 22nd May 1992)

6,666

-

JUMP KNITWEAR LIMITED  
REPORT OF THE DIRECTOR (continued)

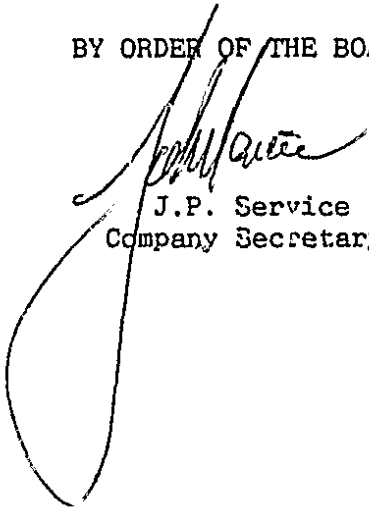
4. FIXED ASSETS

Significant changes in fixed assets are detailed in notes 7, 8 and 9 to the accounts.

5. AUDITORS

In accordance with the Companies Act 1985, a resolution proposing the re-appointment of Messrs. Comins & Co. as auditors of the company will be put to the Annual General Meeting.

BY ORDER OF THE BOARD



J.P. Service  
Company Secretary

Registered Office:

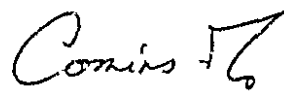
2 Milman's Street  
London

7th September 1993

REPORT OF THE AUDITORS TO THE MEMBERS OF  
JUMP KNITWEAR LIMITED

We have audited the accounts on pages 4 to 19 in accordance with auditing standards.

In our opinion the accounts give a true and fair view of the state of the affairs of the company and of the group at 31st July 1992 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



COMINS & CO.

Chartered Accountants  
Registered Auditor

22 St. Andrew Street  
LONDON  
EC4A 3AN

7th September 1993

JUMP KNITWEAR LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST JULY 1992


	<u>NOTES</u>	<u>1992</u>	<u>1991</u>
<u>TURNOVER</u>	2	16,496,400	13,978,367
Cost of sales		11,970,078	9,661,572
		<hr/>	<hr/>
<u>GROSS PROFIT</u>		4,526,322	4,316,795
Distribution costs		(3,325,901)	(3,113,803)
Administrative expenses		(822,188)	(725,940)
Other operating income		64,453	49,690
		<hr/>	<hr/>
<u>OPERATING PROFIT</u>	3	442,686	526,742
Income from interest in associated undertaking		1,193	3,194
Interest receivable and similar income		3,751	88,981
Interest payable and similar charges	5	(150,555)	(181,452)
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		297,075	437,465
Tax on profit on ordinary activities	6	(119,361)	(88,524)
		<hr/>	<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		177,714	348,941
Minority interests		(32,276)	(2,445)
		<hr/>	<hr/>
<u>TRANSFER TO RESERVES</u>	16	£ 145,438 =====	£ 346,496 =====

The notes on pages 8 to 19  
form part of these accounts

JUMP KNITWEAR LIMITED  
CONSOLIDATED BALANCE SHEET  
31ST JULY 1992

	NOTES	1992	1991
<u>FIXED ASSETS</u>			
Intangible assets	7	1,280,641	-
Tangible assets	8	405,283	221,579
Investments	9	8,078	7,177
		<hr/>	<hr/>
		1,694,002	228,756
<u>CURRENT ASSETS</u>			
Stocks	10	1,988,723	1,551,848
Debtors	11	4,484,190	2,680,968
Cash at bank and in hand		444,896	14,900
		<hr/>	<hr/>
		6,917,809	4,247,716
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	12	(7,471,994)	(3,604,805)
		<hr/>	<hr/>
<u>NET CURRENT (LIABILITIES)/ASSETS</u>		(554,185)	642,911
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<hr/>	<hr/>
		1,139,817	871,667
<u>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</u>	13	(139,842)	(47,509)
		<hr/>	<hr/>
<u>NET ASSETS</u>		£ 999,975	£ 824,158
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called up share capital	15	9,999	9,999
Other reserves	16	2,932	2,932
Profit and loss account	16	929,365	782,429
		<hr/>	<hr/>
<u>SHAREHOLDERS' FUNDS</u>		942,296	795,360
Minority interests		57,679	28,798
		<hr/>	<hr/>
		£ 999,975	£ 824,158
		=====	=====

Approved by the Board and  
signed on its behalf on  
7th September 1993 by:

  
S. Caring

The notes on pages 8 to 19  
form part of these accounts

## JUMP KNITWEAR LIMITED

BALANCE SHEET  
31ST JULY 1992

	<u>NOTES</u>	<u>1992</u>	<u>1991</u>
<u>FIXED ASSETS</u>			
Tangible assets	8	124,827	136,348
Investments	9	31,912	30,912
		<hr/>	<hr/>
		156,739	167,260
<u>CURRENT ASSETS</u>			
Stocks	10	697,279	809,853
Debtors	11	962,974	1,720,735
Cash at bank and in hand		443,699	-
		<hr/>	<hr/>
		2,103,952	2,530,588
<u>CREDITORS: AMOUNTS FALLING DUE</u> <u>WITHIN ONE YEAR</u>	12	(1,255,232)	(1,877,019)
		<hr/>	<hr/>
<u>NET CURRENT ASSETS</u>		848,720	653,569
<u>TOTAL ASSETS LESS CURRENT</u> <u>LIABILITIES</u>		<hr/>	<hr/>
		1,005,459	820,829
<u>CREDITORS: AMOUNTS FALLING DUE</u> <u>AFTER MORE THAN ONE YEAR</u>	13	(29,832)	(40,702)
		<hr/>	<hr/>
		£ 975,627	£ 780,127
		=====	=====
<u>CAPITAL AND RESERVES</u>			
Called up share capital	15	9,999	9,999
Profit and loss account	16	965,628	770,128
		<hr/>	<hr/>
<u>SHAREHOLDERS' FUNDS</u>		£975,627	£780,127
		=====	=====

Approved by the Board and  
signed on its behalf on  
7th September 1993 by:

*S. Caring*  
.....  
S. Caring

The notes on pages 8 to 19  
form part of these accounts



## JUMP KNITWEAR LIMITED

CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST JULY 1992

	<u>NOTES</u>	<u>1992</u>	<u>1991</u>
<u>NET CASH INFLOW FROM OPERATING ACTIVITIES</u>	17	700,802	247,171
<u>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</u>			
Interest received and similar income		3,749	88,981
Dividends received from associated undertakings		-	3,200
Interest paid		(150,555)	(169,675)
Net cash outflow from returns on investments and servicing of finance		(146,806)	(77,494)
<u>TAXATION</u>			
Corporation tax paid		(110,267)	(100,844)
<u>INVESTING ACTIVITIES</u>			
Purchase of subsidiary (net of cash acquired)	21	(2,792,147)	-
Sales of tangible fixed assets		7,797	49,900
Payments to acquire tangible fixed assets		(46,565)	(83,065)
Net cash outflow from investing activities		(2,830,915)	(33,165)
<u>NET CASH (OUTFLOW)/INFLOW BEFORE FINANCING</u>		(2,387,186)	35,668
<u>FINANCING</u>			
Capital element of finance lease payments		(22,158)	(12,644)
Net cash outflow from financing		(22,158)	(12,644)
<u>(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</u>	19	£(2,409,344) =====	£ 23,024 =====

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS  
31ST JULY 1992

1. ACCOUNTING POLICIES

(i) Accounting convention

The accounts are prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable accounting standards.

(ii) Basis of consolidation

The group accounts include the accounts of the company and its subsidiary undertakings, together with its associated undertaking to the extent of the group's interest in that undertaking, made up to 31st July 1992. The group profit and loss account includes the results of subsidiary undertakings acquired during the year from the effective date of acquisition.

No profit and loss account for the company is presented as permitted by Section 230 of the Companies Act 1985.

(iii) Depreciation

Depreciation is provided to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Short leasehold property	- over the period of the lease
Fixtures, fittings & equipment	- at 25% p.a. on a reducing balance basis and at 33.33% and 25% on a straight line basis.
Motor vehicles	- at 25% p.a. on a reducing balance basis and at 33.33% on a straight line basis.

(iv) Investment properties

These are included at valuations based on the open market investment value at 31st July 1992. Valuations are made annually and any surplus or deficit is transferred to a revaluation reserve. Depreciation is not charged on investment properties in accordance with SSAP 19.

(v) Goodwill

Goodwill arising on acquisitions is amortised on a straight line basis over its expected useful economic life of 15 years.

(vi) Trade marks

Amortisation has been charged to write off the cost over the expected useful life which is considered to be ten years.

(vii) Deferred taxation

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the foreseeable future.

# JUMP KNITWEAR LIMITED

## NOTES TO THE ACCOUNTS (continued) 31ST JULY 1992

### 1. ACCOUNTING POLICIES (continued)

#### (viii) Stocks

Stocks are stated at the lower of cost and net realisable value.

#### (ix) Design expenditure

Expenditure on new designs is written off in the year it is incurred.

#### (x) Foreign currencies

Transactions on trading accounts have been accounted for at the exchange rate at the date of the transaction. Assets and liabilities have been converted at the rate ruling on the balance sheet date, unless covered by a forward currency contract, when the contracted rate is used.

#### (xi) Finance leases

Assets under finance leases are capitalised in the balance sheet and depreciated over their useful lives. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease.

#### (xii) Pensions

Pension payments are written off to the profit and loss account in the year they are incurred.

### 2. TURNOVER

Turnover comprises sales of women's clothing and accessories in the United Kingdom.

### 3. OPERATING PROFIT

	<u>1992</u>	<u>1991</u>
This is stated after charging:		
Directors' remuneration	£ 39,538	£ 99,304
Depreciation	£ 54,522	£ 55,416
Amortisation - Goodwill arising on consolidation	£ 3,517	£ -
- Trade marks	£ 66	£ -
Auditors' remuneration - Group	£ 23,900	£ 20,000
- Parent company	£ 10,000	£ 12,000
	=====	=====

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (continued)  
31ST JULY 1992

4. STAFF COSTS

The average weekly number of employees during the year was as follows:

	<u>1992</u>	<u>1991</u>
Selling, distribution and administration	67	68
	=====	=====

Staff costs during the year were as follows:

Wages and salaries	1,317,367	1,325,587
Social security costs	145,671	137,990
Other fees	2,396	-
Other pension costs	9,793	40,375
	-----	-----
	£1,475,227	£1,503,952
	=====	=====

Staff costs include the following in respect of directors:

Emoluments (including pension contributions)	£ 39,538	£ 99,304
	=====	=====

Emoluments of the chairperson and highest paid director (excluding pension contributions)

£ 30,000	£ 40,004
=====	=====

The emoluments (excluding pension contributions) of the other director fell within the following ranges:-

£ 5,001 - £10,000	1	-
£55,001 - £60,000	-	1
	=====	=====

5. INTEREST PAYABLE AND SIMILAR CHARGES

Bank loans and overdrafts wholly repayable within five years	138,222	174,468
Other loans	11,580	6,984
Exchange losses	753	-
	-----	-----
	£150,555	£181,452
	=====	=====

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (continued)  
31ST JULY 1992

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1992</u>	<u>1991</u>
U.K. corporation tax at 33% (1991 : 33.7%)	119,069	118,060
Deferred tax	-	(9,696)
Overseas tax	-	636
Tax on profits of associated undertaking	292	847
Prior year adjustment	-	(21,323)
	<hr/>	<hr/>
	£119,361	£ 88,524
	=====	=====

7. INTANGIBLE FIXED ASSETS

<u>Group</u>	<u>Goodwill</u>	<u>Trade marks</u>	<u>Total</u>
<u>Cost</u>			
At 1st August 1991	-	-	-
Arising on acquisition of subsidiary undertaking	1,266,158	20,000	1,286,158
	<hr/>	<hr/>	<hr/>
At 31st July 1992	£1,266,158	£ 20,000	£1,286,158
	=====	=====	=====
<u>Amortisation</u>			
At 1st August 1991	-	-	-
Arising on acquisition of subsidiary undertaking	-	1,934	1,934
Charge for the year	3,517	66	3,583
	<hr/>	<hr/>	<hr/>
At 31st July 1992	£ 3,517	£ 2,000	£ 5,517
	=====	=====	=====
<u>Net Book Value</u>			
At 31st July 1992	£1,262,641	£ 18,000	£1,280,641
	=====	=====	=====
At 1st August 1991	£ -	£ -	£ -
	=====	=====	=====

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (continued)  
31ST JULY 1992

8. TANGIBLE FIXED ASSETS

	<u>Land and Buildings</u>				
	<u>Long</u>	<u>Short</u>			
<u>GROUP</u>	<u>Leasehold</u>	<u>Leasehold</u>	<u>Fixtures,</u>	<u>Motor</u>	
	<u>Investment</u>	<u>Property</u>	<u>Fittings &amp;</u>	<u>Vehicles</u>	<u>Total</u>
<u>Cost</u>			<u>Equipment</u>		
At 1st August 1991	-	23,000	291,703	251,219	565,922
Additions	-	-	21,231	25,334	46,565
Arising on acquisition of subsidiary undertaking	95,000	-	94,809	53,342	243,151
Disposals	-	-	(1,550)	(20,635)	(22,185)
	-----	-----	-----	-----	-----
At 31st July 1992	£ 95,000	£ 23,000	£406,193	£309,260	£833,453
	=====	=====	=====	=====	=====
<u>Depreciation</u>					
At 1st August 1991	-	9,450	245,703	89,190	344,343
Arising on acquisition of subsidiary undertaking	-	-	27,728	16,114	43,842
Charge for the year	-	1,509	14,081	38,932	54,522
Eliminated on disposals	-	-	(869)	(13,668)	(14,537)
	-----	-----	-----	-----	-----
At 31st July 1992	£ -	£ 10,959	£286,643	£130,568	£428,170
	=====	=====	=====	=====	=====
<u>Net Book Value</u>					
At 31st July 1992	£ 95,000	£ 12,041	£119,550	£178,692	£405,283
	=====	=====	=====	=====	=====
At 1st August 1991	£ -	£ 13,550	£ 46,000	£162,029	£221,579
	=====	=====	=====	=====	=====

The historical cost of the investment property is £95,000. The property was valued at 31st July 1992 by P.M. Foster, a director of a subsidiary undertaking.

The net book value and depreciation charge for the year of assets held under finance leases are as follows:

	<u>Net Book Value</u>		<u>Depreciation</u>	
	<u>1992</u>	<u>1991</u>	<u>1992</u>	<u>1991</u>
Motor vehicles	£70,619 =====	£15,626 =====	£68,911 =====	£7,357 =====

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (continued)  
31ST JULY 1992

8. TANGIBLE FIXED ASSETS (continued)

<u>COMPANY</u>	<u>Fixtures, Fittings &amp; Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
<u>Cost</u>			
At 1st August 1991	236,672	143,073	379,745
Additions	14,442	8,000	22,442
Disposals	(1,550)	-	(1,550)
	<u>249,564</u>	<u>151,073</u>	<u>400,637</u>
At 31st July 1992	=====	=====	=====
<u>Depreciation</u>			
At 1st August 1991	204,614	38,783	243,397
Charge for the year	8,852	24,430	33,282
Eliminated on disposals	(869)	-	(869)
	<u>212,597</u>	<u>63,213</u>	<u>275,810</u>
At 31st July 1992	=====	=====	=====
<u>Net Book Value</u>			
At 31st July 1992	£ 36,967	£ 87,860	£124,827
	=====	=====	=====
At 1st August 1991	£ 32,058	£104,290	£136,348
	=====	=====	=====

The net book value and depreciation charge for the year of assets held under finance leases are as follows:

	<u>Net Book Value</u>		<u>Depreciation</u>	
	<u>1992</u>	<u>1991</u>	<u>1992</u>	<u>1991</u>
Motor vehicles	£37,010	£46,730	£ 9,720	£2,417
	=====	=====	=====	=====

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (continued)  
31ST JULY 1992

9. INVESTMENTS

GROUP

Participating interests

At 1st August 1991  
Share of retained profit  
for the year

Interest in  
Associated  
Undertaking

7,177

901

At 31st July 1992

£8,078  
=====

COMPANY

	<u>Group Undertakings</u>	<u>Associated Undertaking</u>	<u>Total</u>
At 1st August 1991	28,787	2,125	30,912
Additions	1,000	-	1,000
At 31st July 1992	£29,787 =====	£2,125 =====	£31,912 =====

On 14th July 1992 the company acquired 100% of the ordinary shares of International Clothing Designs (Holdings) Limited. The company holds more than 10% of the share capital of the following trading companies:-

<u>Name of Company</u>	<u>Country of Registration</u>	<u>Holding</u>	<u>Proportion Held</u>	<u>Trading Activity</u>
<b>Subsidiary undertakings</b>				
International Clothing Designs (Holdings) Limited	England	Ordinary	100%	Clothing/ Management Services
Louis Caring GMBH	Germany	Ordinary	100%	Clothing
The Associated Clothing Company Limited	England	Ordinary	38%	Clothing
* Tapestry Design Company Limited	England	Ordinary	100%	Clothing
* Tutto Diffusion Limited	England	Ordinary	100%	Clothing
* The Nashville Corporation Limited	England	Ordinary	100%	Clothing
* Bi-Axident Limited	England	Ordinary	76%	Clothing
* ICDH (One) Limited	England	Ordinary	100%	Property
* Indirectly held				
<b>Associated undertaking</b>				
Babyface Limited	England	Ordinary	32%	Clothing



JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (continued)  
31ST JULY 1992

10. STOCKS

	<u>Group</u>		<u>Company</u>	
	<u>1992</u>	<u>1991</u>	<u>1992</u>	<u>1991</u>
Raw materials	1,356,763	137,408	-	-
Work in progress	537,261	559,624	-	-
Finished goods	94,699	854,816	697,279	809,853
	<hr/>	<hr/>	<hr/>	<hr/>
	£1,988,723	£1,551,848	£697,279	£809,853
	=====	=====	=====	=====

11. DEBTORS

	<u>Group</u>		<u>Company</u>	
	<u>1992</u>	<u>1991</u>	<u>1992</u>	<u>1991</u>
Trade debtors	3,974,860	1,839,437	813,464	910,766
Amounts owed by group undertakings	-	-	53,503	31,268
Amounts owed by associated undertaking	1,173	1,173	1,173	1,173
Other debtors	133,954	734,079	16,626	719,854
Prepayments and accrued income	374,203	106,279	78,208	57,674
	<hr/>	<hr/>	<hr/>	<hr/>
	£4,484,190	£2,680,968	£962,974	£1,720,735
	=====	=====	=====	=====

12. CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR

	<u>Group</u>		<u>Company</u>	
	<u>1992</u>	<u>1991</u>	<u>1992</u>	<u>1991</u>
Bank overdrafts (see below)	3,824,455	985,115	-	66,100
Obligations under finance leases (note 14)	21,000	18,192	10,870	10,870
Trade creditors	2,320,610	1,369,999	466,958	770,505
Amounts owed to group undertakings	-	-	166,719	67,010
Corporation tax	182,334	173,532	115,550	135,254
Other creditors	635,815	532,173	286,974	361,971
Accruals	487,780	525,794	208,161	465,309
	<hr/>	<hr/>	<hr/>	<hr/>
	£7,471,994	£3,604,805	£1,255,232	£1,877,019
	=====	=====	=====	=====

Bank overdrafts are secured by a fixed and floating charge over the group's assets together with intercompany guarantees.

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (continued)  
31ST JULY 1992

13. CREDITORS: AMOUNTS FALLING DUE  
AFTER MORE THAN ONE YEAR

	<u>Group</u>		<u>Company</u>	
	<u>1992</u>	<u>1991</u>	<u>1992</u>	<u>1991</u>
Bank loan	95,000	-	-	-
Obligations under finance leases (note 14)	44,842	47,509	29,832	40,702
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	£139,842	£47,509	£29,832	£40,702
	=====	=====	=====	=====

The bank loan is secured by a legal charge over the investment property. The bank loan is wholly repayable in February 1994.

14. OBLIGATIONS UNDER FINANCE  
LEASES

	<u>Group</u>		<u>Company</u>	
	<u>1992</u>	<u>1991</u>	<u>1992</u>	<u>1991</u>
The maturity of these amounts is as follows:				
Amounts payable within one year	36,966	28,474	20,146	20,146
In the second to fifth years inclusive	49,928	66,829	36,789	56,935
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	86,894	95,303	56,935	77,081
<u>Less:</u> Finance charges allocated to future periods	(21,052)	(29,602)	(16,233)	(25,509)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	£ 65,842	£ 65,701	£ 40,702	£ 51,572
	=====	=====	=====	=====

The finance lease is analysed as follows:

Current obligations	21,000	18,192	10,870	10,870
Non current obligations	44,842	47,509	29,832	40,702
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	£ 65,842	£ 65,701	£ 40,702	£ 51,572
	=====	=====	=====	=====

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (continued)  
31ST JULY 1992

15. SHARE CAPITAL

	<u>1992</u>	<u>1991</u>
Authorised:		
10,000 ordinary shares of £1 each	£ 10,000 =====	£ 10,000 =====
Allotted, called up and fully paid:		
9,999 ordinary shares of £1 each	£ 9,999 =====	£ 9,999 =====

16. RESERVES

<u>GROUP</u>	<u>Profit and Loss account</u>	<u>Capital</u>	<u>Total</u>
At 1st August 1991	782,429	2,932	785,361
Retained profit for the year	145,438	-	145,438
Exchange movement	1,498	-	1,498
	-----	-----	-----
At 31st July 1992	£929,365 =====	£ 2,932 =====	£932,297 =====

COMPANY

	<u>Profit and Loss account</u>
At 1st August 1991	770,128
Retained profit for the year	195,500
	-----
At 31st July 1992	£965,628 =====

17. RECONCILIATION OF OPERATING  
PROFIT TO NET CASH INFLOW FROM  
OPERATING ACTIVITIES

	<u>1992</u>	<u>1991</u>
Operating profit	442,686	526,742
Depreciation and amortisation	58,105	55,416
Profit on sale of tangible fixed assets	(21)	(12,367)
Decrease in stocks	111,250	132,427
Decrease/(increase) in creditors	640,082	(536,320)
(Decrease)/increase in creditors	(551,300)	81,273
	-----	-----
Net cash inflow from operating activities	£ 700,802 =====	£ 247,171 =====

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (continued)  
31ST JULY 1992

18. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

At 1st August 1991	(970,215)
Net cash outflow	(2,409,344)
	<hr/>
At 31st July 1992	£(3,379,559)
	=====

19. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	<u>1992</u>	<u>1991</u>	<u>Change in year</u>
Cash at bank and in hand	444,896	14,900	429,996
Bank overdraft	(3,824,455)	(985,115)	(2,839,340)
	<hr/>	<hr/>	<hr/>
	£(3,379,559)	£(970,215)	£(2,409,344)
	=====	=====	=====

20. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	<u>Bank Loan</u>	<u>Finance Lease Obligations</u>	<u>Total</u>
At 1st August 1991	-	47,509	47,509
Repaid during the year	-	(22,158)	(22,158)
Obligations undertaken in the year	-	40,491	40,491
Arising on acquisition of subsidiary undertaking	95,000	-	95,000
	<hr/>	<hr/>	<hr/>
At 31st July 1992	£ 95,000	£ 65,842	£160,842
	=====	=====	=====

# JUMP KNITWEAR LIMITED

## NOTES TO THE ACCOUNTS (continued) 31ST JULY 1992

### 21. ACQUISITIONS

The parent company acquired a 100% holding in the share capital of International Clothing Designs (Holdings) Limited the consideration being £1,000. The acquired company's assets and liabilities at the date of acquisition were as follows:

Net assets acquired:

	£
Goodwill	1,266,158
Trade marks	18,066
Tangible fixed assets	199,439
Stocks	548,125
Debtors	2,443,294
Cash at bank and in hand	368
Bank overdrafts	(2,792,515)
Bank loan	(95,000)
Creditors	(1,586,935)
	<hr/>
	£ 1,000

Satisfied by:

Cash	£ 1,000
	=====

### 22. PENSIONS

The group made payments of £9,793 (1991 : £40,375) to private pension schemes for the benefit of certain employees.