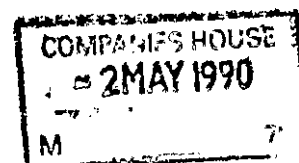


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# Jump Knitwear Limited

Report and Accounts  
year ended 31st July 1989



Comins & Co  
Chartered Accountants  
London, Ashford and Geneva

Member of the ICC  
international group

JUMP KNITWEAR LIMITED

31ST JULY 1989

CONTENTS

PAGE NOS

1 & 2	REPORT OF THE DIRECTORS
3	REPORT OF THE AUDITORS
4	CONSOLIDATED PROFIT AND LOSS ACCOUNT
5	BALANCE SHEETS
6	CONSOLIDATED SOURCE AND APPLICATION OF FUNDS
7 to 13	NOTES TO THE ACCOUNTS

JUMP KNITWEAR LIMITED  
REPORT OF THE DIRECTORS

DIRECTORS

S. Caring (Chairperson)  
M. Bines

SECRETARY

J.P. Service

The Directors submit their Report and Accounts for the year ended 31st July 1989.

1. REVIEW OF THE BUSINESS

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

	<u>1989</u>	<u>1988</u>
<u>TURNOVER</u>	£14,193,532 =====	£15,557,270 =====
(Loss)/Profit before taxation	(106,521)	22,890
Taxation	(14,268)	(3,094)
Minority Interests	(19,944)	-
	-----	-----
<u>(LOSS)/PROFIT FOR THE YEAR</u>	£ (140,733) =====	£ 19,796 =====

2. FIXED ASSETS

There were no significant changes in the Fixed Assets of the Group other than in the normal course of business.

3. DIRECTORS AND THEIR INTERESTS

The Directors during the year and their beneficial interests in the share capital of the Company were as follows:-

	<u>31st July 1989</u> <u>Ordinary Shares</u>	<u>1st August 1988</u> <u>Ordinary Shares</u>
S. Caring	6,666	6,666
M. Bines	-	-

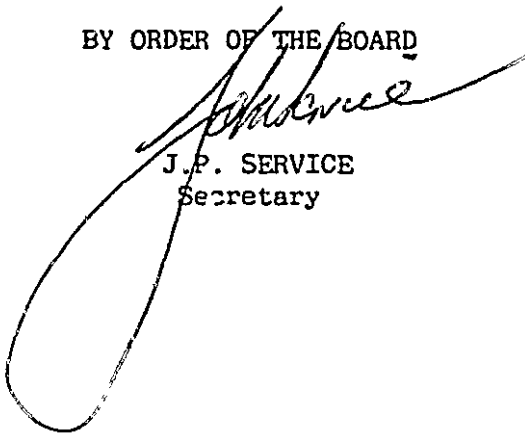
JUMP KNITWEAR LIMITED

REPORT OF THE DIRECTORS  
Continued

4. AUDITORS

In accordance with Section 384 of 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  
Secretary

Registered Office:

22 St. Andrew Street  
London  
EC4A 3AN

31st January 1990

REPORT OF THE AUDITORS  
TO THE MEMBERS OF JUMP KNITWEAR LIMITED

We have audited the accounts on pages 4 to 13 in accordance with Auditing Standards.

In our opinion the accounts give a true and fair view of the state of affairs of the company and the group at 31st July 1989 and of the loss and source and application of funds 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 Office:

22 St. Andrew Street  
London  
EC4A 3AN

31st January 1990

JUMP KNITWEAR LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST JULY 1989

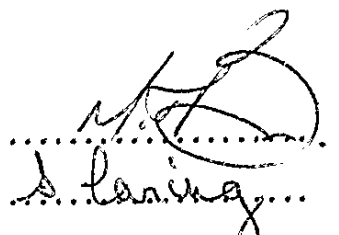
	NOTES	1989 £	1988 £
<u>TURNOVER</u>	2	14,193,532	15,557,270
Cost of Sales		(11,137,497)	(13,115,633)
<u>GROSS PROFIT</u>		3,056,035	2,441,637
Administrative Expenses		2,961,489	2,225,571
		94,546	216,066
Share of Profits of Related Companies	3	17,530	1,836
<u>OPERATING PROFIT</u>	4	112,076	217,902
Interest Receivable - Bank		-	7,329
Interest Payable	6	(218,597)	(202,341)
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		(106,521)	22,890
Taxation	7	(14,268)	(3,094)
Minority Interests		(19,944)	-
<u>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</u>	15	£ (140,733) =====	£ 19,796 =====

The notes on pages 7 to 13  
form part of these Accounts

## JUMP KNITWEAR LIMITED

BALANCE SHEETS  
AS AT 31ST JULY 1989

	NOTES	<u>1989</u>		<u>1988</u>	
		Group £	Company £	Group £	Company £
<b><u>FIXED ASSETS</u></b>					
Tangible Assets	8	249,291	186,358	191,004	191,004
Investments	9	17,505	39,717	3,261	27,617
		<hr/>	<hr/>	<hr/>	<hr/>
		266,796	226,075	194,265	218,621
<b><u>CURRENT ASSETS</u></b>					
Stocks	10	1,845,305	830,722	1,569,734	1,302,045
Debtors	11	2,131,972	1,526,472	2,043,988	2,056,886
Cash at bank and in hand		582,750	542,763	165,046	-
		<hr/>	<hr/>	<hr/>	<hr/>
		4,560,027	2,899,957	3,778,768	3,358,931
<b><u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u></b>	12	4,440,601	2,789,902	3,477,713	3,259,823
		<hr/>	<hr/>	<hr/>	<hr/>
<b><u>NET CURRENT ASSETS</u></b>		119,426	110,055	301,055	99,108
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		<hr/>	<hr/>	<hr/>	<hr/>
		386,222	336,130	495,320	317,729
<b><u>PROVISION FOR LIABILITIES AND CHARGES</u></b>	13	-	-	14,000	14,000
		<hr/>	<hr/>	<hr/>	<hr/>
<b><u>NET ASSETS</u></b>		£ 386,222 =====	£ 336,130 =====	£ 481,320 =====	£ 303,729 =====
<b><u>CAPITAL AND RESERVES</u></b>					
Called Up Share Capital	14	9,999	9,999	9,999	9,999
Capital Reserve	15	18,413	-	358	-
Profit and Loss Account	15	337,866	326,131	470,963	293,730
		<hr/>	<hr/>	<hr/>	<hr/>
<b><u>SHAREHOLDERS' FUNDS</u></b>		366,728	336,130	481,320	303,729
Minority interests		19,944	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>
		£ 386,222 =====	£ 336,130 =====	£ 481,320 =====	£ 303,729 =====


 ) Directors

The notes on pages 7 to 13  
form part of these accounts

31st January 1990

JUMP KNITWEAR LIMITED

CONSOLIDATED SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31ST JULY 1989

	£	<u>1989</u>	£	£	<u>1988</u>	£
<u>OUTFLOW OF FUNDS</u>						
(Loss)/Profit on ordinary activities before taxation			(106,521)			22,890
Adjustments for items not involving the movement of funds:						
Minority Interests		19,944			-	
Depreciation		73,517			54,328	
(Profit) on sale of fixed assets		(6,564)			(2,050)	
Exchange gains on consolidation		7,636			20,521	
Related companies (profits)/losses		(17,530)			3,530	
Reserves no longer consolidated		24			(20,451)	
		77,027			55,878	
<u>TOTAL (ABSORBED BY)/GENERATED FROM OPERATIONS</u>			(29,494)			78,768
<u>FUNDS FROM OTHER SOURCES</u>						
Proceeds of sale of fixed assets			46,602			29,336
			17,108			108,104
<u>APPLICATION OF FUNDS</u>						
Taxation paid		57,240			21,376	
Purchase of fixed assets		74,403			105,331	
Purchase of Investment		2,100			-	
		(133,743)			(126,707)	
<u>DECREASE IN WORKING CAPITAL</u>			£ (116,635)			£ (18,603)
			=====			=====
<u>WORKING CAPITAL MOVEMENTS</u>						
Stocks		275,571			(273,318)	
Debtors		26,066			34,291	
Creditors		5,755			134,507	
		307,392			(104,520)	
<u>Movement in Net Liquid Funds</u>						
Cash at bank and in hand		417,704			(79,582)	
Bank loans and overdrafts		(841,731)			165,499	
		(424,027)			85,917	
			£ (116,635)			£ (18,603)
			=====			=====



JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS  
31ST JULY 1989

1. ACCOUNTING POLICIES

(i) Accounting Convention

These accounts have been prepared under the historical cost convention.

(ii) Basis of Consolidation

The Group accounts include the accounts of the Parent Company, and its subsidiaries for the year ended 31st July 1989. No Profit and Loss Account is presented for Jump Knitwear Limited as provided by Section 228(7) of the Companies Act 1985.

(iii) Turnover

Turnover represents sales invoiced and excludes intra-group sales and value added tax.

(iv) Fixed Assets

Depreciation of fixed assets is provided over the anticipated life of the assets on the reducing balance basis as follows:-

Fixtures and Fittings at 25% p.a.

Motor Vehicles at 25% p.a.

(v) Stocks

Stock is valued at the lower of cost or net realisable value. Cost includes freight, duty, commission, and clearance charges. No material attributable overheads exist within the meaning of the Statement of Standard Accounting Practice No 9. Net realisable value represents sales proceeds less all expected costs to completion.

(vi) Debtors

Known bad debts are written off and specific provision is made for debts considered to be doubtful of collection.

(vii) Design and Expenditure

Expenditure on new designs is written off when incurred.

(viii) Deferred Taxation

Deferred taxation is provided on the liability method on all short-term timing differences. Provision is also made for long-term timing differences except for those which are not expected to reverse in the foreseeable future.

(ix) Pension Costs

The company does not operate its own scheme. Payments are made on behalf of company employees. These payments are written off to the profit and loss account in the year incurred.

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (Continued)  
31ST JULY 1989

2. TURNOVER

The analysis of turnover by activity and geographical area is as follows:-

	<u>1989</u>	<u>1988</u>
Class of Business		
Women's clothing	12,983,501	14,273,044
Women's accessories	1,210,031	1,284,226
	<hr/>	<hr/>
	£14,193,532	£15,557,270
	=====	=====

3. RELATED COMPANIES

The consolidated profit and loss account includes the following amount in respect of related companies:-

	<u>1989</u>	<u>1988</u>
Share of Profits before taxation	17,530	1,836
Taxation	(5,410)	(5,366)
	<hr/>	<hr/>
	£ 12,120	(3,530)
	=====	=====

The above amounts have been retained by related companies.

4. OPERATING (LOSS)/PROFIT

This is stated after charging:

Depreciation	£73,517	£54,328
Auditors' Remuneration	£ 9,000	£ 8,000
	=====	=====

# JUMP KNITWEAR LIMITED

## NOTES TO THE ACCOUNTS (Continued) 31ST JULY 1989

### 5. EMPLOYEES

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

	<u>1989</u>	<u>1988</u>
Category:		
Selling, Distribution and Administration	55	43
	==	==
Staff costs during the year amounted to:		
Wages and Salaries	874,931	874,111
Social Security Costs	118,010	86,548
Other Pension Costs	36,528	10,000
	<hr/>	<hr/>
	£1,029,469	£970,659
	=====	=====

Staff costs include the following in respect of Directors' Emoluments

£ 86,811	£116,516
=====	=====

Emoluments (excluding pension contributions) were paid as follows:  
Chairperson

£ 31,707	£ 35,588
=====	=====

Highest paid director

£ 38,000	£ 42,550
=====	=====

The remaining Directors received emoluments in the following ranges (excluding pension contributions):

£15,001 - £20,000	-	-
£25,001 - £30,000	-	1
	==	==

#### Higher Paid Employees

£ 30,001 - £ 35,000	-	2
£ 45,001 - £ 50,000	1	-
£ 75,001 - £ 80,000	1	-
£165,001 - £170,000	-	1
£220,001 - £225,000	1	-
	==	==

### 6. INTEREST PAYABLE

Bank loans, overdrafts, and other loans wholly repayable within five years

£218,597	£202,341
=====	=====

### 7. TAX ON PROFIT ON ORDINARY ACTIVITIES

UK Corporation Tax at 35% (1988 :26.3%)

- Group	14,480	9,481
- Related Companies	5,410	(5,366)
Prior year adjustment	8,378	-
Deferred Tax	(14,000)	(7,209)
	<hr/>	<hr/>
	£ 14,268	£ (3,094)
	=====	=====

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (Continued)  
31ST JULY 1989

8. TANGIBLE FIXED ASSETS

a. Group

	<u>FIXTURES FITTINGS &amp; EQUIPMENT</u>	<u>MOTOR VEHICLES</u>	<u>TOTAL</u>
<u>Cost</u>			
1st August 1988	256,328	173,283	429,611
Additions	18,308	56,095	74,403
Transfer from Subsidiary	77,031	92,335	169,366
Disposals	-	(86,154)	(86,154)
At 31st July 1989	£ 351,667 =====	£ 235,559 =====	£ 587,226 =====
<u>Depreciation</u>			
1st August 1988	179,689	58,918	238,607
Charge for the year	31,240	42,277	73,517
Transfer from Subsidiary	26,564	45,363	71,927
Eliminated on Disposals	-	(46,116)	(46,116)
At 31st July 1989	£ 237,493 =====	£ 100,442 =====	£ 337,935 =====
<u>Net Book Value</u>			
At 31st July 1989	£ 114,174 =====	£ 135,117 =====	£ 249,291 =====
At 1st August 1988	£ 76,639 =====	£ 114,365 =====	£ 191,004 =====

b. Company

	<u>FIXTURES FITTINGS &amp; EQUIPMENT</u>	<u>MOTOR VEHICLES</u>	<u>TOTAL</u>
<u>Cost</u>			
1st August 1988	256,328	173,283	429,611
Additions	17,308	56,095	73,403
Disposals	-	(43,966)	(43,966)
At 31st July 1989	£ 273,636 =====	£ 185,412 =====	£ 459,048 =====
<u>Depreciation</u>			
1st August 1988	179,689	58,918	238,607
Charge for the year	21,356	33,643	54,999
Eliminated on Disposals	-	(20,916)	(20,916)
At 31st July 1989	£ 201,045 =====	£ 71,645 =====	£ 272,690 =====
<u>Net Book Value</u>			
At 31st July 1989	£ 72,591 =====	£ 113,767 =====	£ 186,358 =====
At 1st August 1988	£ 76,639 =====	£ 114,365 =====	£ 191,004 =====

# JUMP KNITWEAR LIMITED

## NOTES TO THE ACCOUNTS (Continued) 31ST JULY 1989

### 9. INVESTMENTS

<u>Group</u>	<u>Related Companies</u>
At 1st August 1988	3,261
Share of related companies' results	12,120
Reserves no longer consolidated	24
Addition	2,100
	<hr/>
At 31st July 1989	£17,505
	=====

<u>Company</u>	<u>Group Companies</u>	<u>Related Companies</u>	<u>Total</u>
At 1st August 1988	27,542	75	27,617
Additions	10,000	2,100	12,100
Transfers	50	(50)	-
	<hr/>	<hr/>	<hr/>
At 31st July 1989	£ 37,592	£ 2,125	£ 39,717
	=====	=====	=====

The Company holds more than 10% of the following companies:-

<u>Name of Company</u>	<u>Country of Registration</u>	<u>Holding</u>	<u>Proportion held</u>
<u>Subsidiaries</u>			
Louis Caring GmbH	Germany	Ordinary	100%
Jump Knitwear SRL	Italy	Ordinary	100%
Louis Caring (Sales) Ltd	England	Ordinary	100%
Jump Accessories Ltd	England	Ordinary	100%
Bombay Ducks Limited	England	Ordinary	100%
Colby Limited	England	Ordinary	100%
Changes (UK) Limited	England	Ordinary	100%
Together UK (Imports) Ltd	England	Ordinary	100%
The Associated Clothing Company Limited	England	Ordinary	38%
<u>Related Company</u>			
Babyface Limited	England	Ordinary	32%

### 10. STOCKS

	<u>1989</u>		<u>1988</u>	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
Raw Materials	17,500	17,500	5,976	5,976
Work in Progress	470,063	-	-	-
Finished Goods	1,357,742	813,222	1,563,758	1,296,069
	<hr/>	<hr/>	<hr/>	<hr/>
	£1,845,305	£ 830,722	£1,569,734	£1,302,045
	=====	=====	=====	=====

# JUMP KNITWEAR LIMITED

## NOTES TO THE ACCOUNTS (Continued) 31ST JULY 1989

11. <u>DEBTORS</u>	<u>1989</u>		<u>1988</u>	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
Trade Debtors	1,712,790	1,156,453	1,679,762	1,679,762
Amounts owed by Group Companies	-	43,563	-	18,655
Amounts owed by Related Companies	7,443	7,443	105,264	105,264
Other Debtors	270,288	223,727	202,926	197,169
Prepayments and accrued income	141,451	95,286	56,036	56,036
	<u>£ 2,131,972</u>	<u>£1,526,472</u>	<u>£2,043,988</u>	<u>£2,056,886</u>
	=====	=====	=====	=====

Included in other debtors are loans totalling £13,914 made to two employees of the company, and ACT of £24,569 which is recoverable after more than one year.

12. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	<u>1989</u>		<u>1988</u>	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
Bank Loans and Overdrafts (see below)	2,107,803	1,378,449	1,266,072	1,266,072
Trade Creditors	1,600,125	838,766	1,307,483	1,150,596
Amounts owed to Group Companies	-	98,978	-	5,200
Amounts owed to Related Companies	-	-	51	51
Corporation Tax	100,425	-	10,000	10,000
Advance Corporation Tax	24,977	-	-	-
Other Taxes and Social Security	-	-	-	-
Costs	135,838	99,145	278,863	278,863
Other Creditors	216,206	153,923	181,226	181,226
Accruals	239,727	220,641	434,018	367,815
Dividend to Minorities	15,500	-	-	-
	<u>£ 4,440,601</u>	<u>£2,789,902</u>	<u>£3,477,713</u>	<u>£3,259,823</u>
	=====	=====	=====	=====

Bank Loans and Overdrafts are secured by a fixed and floating charge over the Group's assets together with a Guarantee.

### 13. PROVISION FOR LIABILITIES AND CHARGES

This comprises deferred taxation. The provision in the accounts is as follows:-

	<u>1989</u>	<u>1988</u>
Accelerated Capital Allowances	£ -	£14,000
	=====	=====

### 14. SHARE CAPITAL

Authorised 10,000 shares of £1 each	£10,000	£10,000
	=====	=====
Allotted, Called Up and Fully Paid 9,999 shares of £1 each	£ 9,999	£ 9,999
	=====	=====

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (Continued)  
31ST JULY 1989

15. RESERVES

	<u>CAPITAL RESERVE</u>	<u>PROFIT AND LOSS ACCOUNT</u>
<u>Group</u>		
At 1st August 1988	358	470,963
Exchange Adjustments	-	7,636
Retained Loss	-	(140,733)
Arising on Consolidation	18,055	-
	<hr/>	<hr/>
At 31st July 1989	£ 18,413 =====	£ 337,866 =====
 <u>Company</u>		
At 1st August 1988		293,730
Retained profit		32,401
		<hr/>
At 31st July 1989		£ 326,131 =====

16. CONTINGENT LIABILITIES

- (i) The liability under open documentary credits amounted to £199,841 (1988 : £359,920).
- (ii) Forward contracts for the purchase of foreign currency have been undertaken in the normal course of the Group's business.
- (iii) At the year end the Bank held guarantees in favour of H.M. Customs & Excise amounting to £450,000 (1988: £600,000).
- (iv) The company has guaranteed its subsidiary and related companies' overdrafts for £650,000.