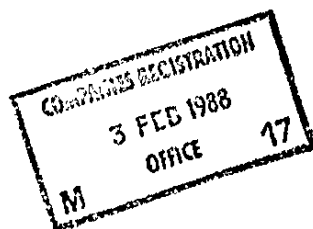


# Jump Knitwear Limited

## Report and Accounts year ended 31st July 1987



Comins & Co  
Chartered Accountants  
London, Ashford and Geneva

Member of the ICC  
international group

JUMP KNITWEAR LIMITED

31ST JULY 1987

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5	BALANCE SHEETS
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JUMP KNITWEAR LIMITED  
REPORT OF THE DIRECTORS

DIRECTORS

L.N. Caring - Chairman  
S. Caring  
M. Bines

SECRETARY

J.P. Service

The Directors submit their Report and Accounts for the year ended 31st July 1987.

1. REVIEW OF THE BUSINESS

The principal activity of the Group during the year was the distribution of women's clothing and accessories. Although the group made a loss for the year, management accounts since the year end have indicated that the company is trading profitably.

	<u>1987</u>	<u>1986</u>
<u>Turnover</u>	£17,046,154 *****	£14,192,826 *****
(Loss)/Profit before taxation	(268,717)	320,632
Taxation	72,839 -----	(146,665) -----
(LOSS)/PROFIT FOR THE YEAR	£(195,878) *****	£173,967 *****

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 interests in the share capital of the Company were as follows:-

	<u>31st July 1987</u> <u>Ordinary Shares</u>	<u>1st August 1986</u> <u>Ordinary Shares</u>
L.N. Caring	3,333	3,333
S. Caring	3,333	3,333
M. Bines	-	-

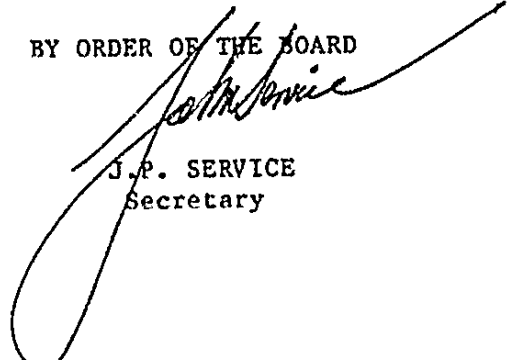
M. Bines retires by rotation and, being eligible, offers himself for re-election.

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

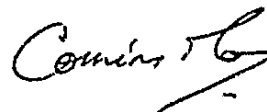
14th January, 1988

REPORT OF THE AUDITORS  
TO THE MEMBERS OF JUMP KNITWEAR LIMITED

We have audited the accounts on pages 4 to 13. Our Audit was conducted in accordance with approved Auditing Standards having regard to the matters referred to in the following paragraph.

The Company's system of control is dependent upon the close involvement of the Directors (who are major shareholders). Where independent confirmation of the completeness of the accounting records was therefore not available, we have accepted assurances from the Directors that all the Company's transactions have been reflected in the records.

Subject to the foregoing, 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 1987 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

14th January, 1988

# JUMP KNITWEAR LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST JULY 1987

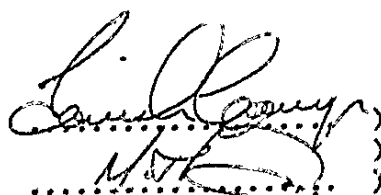
	NOTES	£	1987	£	1986	£
<u>TURNOVER</u>	2		17,046,154		14,192,826	
Cost of Sales			14,711,892		11,990,892	
<u>GROSS PROFIT</u>			2,334,262		2,201,934	
Distribution Costs		1,784,185		1,426,401		
Administrative Expenses		605,471		350,594		
			2,389,656		1,776,995	
			(55,394)		424,939	
Share of Profits of Related Companies	3		54,529		48,988	
<u>OPERATING (LOSS)/PROFIT</u>	4		(865)		473,927	
Interest Receivable			2,202		1,476	
			1,337		475,403	
Interest Payable	6		270,054		154,771	
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>			(268,717)		320,632	
Taxation	7		72,839		(146,665)	
<u>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</u>	16		£ (195,878)		£ 173,967	

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

## JUMP KNITWEAR LIMITED

BALANCE SHEETS  
AS AT 31ST JULY 1987

	NOTES	1987		1986	
		Group £	Company £	Group £	Company £
<b><u>FIXED ASSETS</u></b>					
Intangible Assets	8	-	-	10,591	10,591
Tangible Assets	9	167,287	167,287	231,633	231,633
Investments	10	9,588	27,617	14,585	27,613
		-----	-----	-----	-----
		176,875	194,904	256,809	269,837
<b><u>CURRENT ASSETS</u></b>					
Stocks	11	1,843,052	1,470,409	1,819,278	1,607,792
Debtors	12	1,971,409	1,989,335	2,712,278	2,735,781
Cash at bank and in hand		244,628	227,107	28,247	12,152
		-----	-----	-----	-----
		4,059,089	3,686,851	4,559,803	4,355,725
<b><u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u></b>	13	3,767,719	3,634,337	4,137,992	4,205,892
		-----	-----	-----	-----
<b><u>NET CURRENT ASSETS</u></b>		291,370	52,514	421,811	149,833
		-----	-----	-----	-----
<b><u>TOTAL ASSETS LESS CURRENT LIABILITIES</u></b>		468,245	247,418	678,620	419,670
<b><u>PROVISION FOR LIABILITIES AND CHARGES</u></b>	14	6,791	6,791	35,400	35,400
		-----	-----	-----	-----
<b><u>NET ASSETS</u></b>		£ 461,454	£ 240,627	£ 643,220	£ 384,270
		=====	=====	=====	=====
<b><u>CAPITAL AND RESERVES</u></b>					
Called Up Share Capital	15	9,999	9,999	9,999	9,999
Other Reserves	16	9,563	-	14,560	-
Profit and Loss Account	16	441,892	230,628	618,661	374,271
		-----	-----	-----	-----
		£ 461,454	£ 240,627	£ 643,220	£ 384,270
		=====	=====	=====	=====


 ) Directors

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

10th January 1988

# JUMP KNITWEAR LIMITED

## CONSOLIDATED SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31ST JULY 1987

	1987		1986	
	£	£	£	£
<u>(OUTFLOW)/SOURCE OF FUNDS</u>				
(Loss)/Profit on ordinary activities before taxation		(279,709)		320,632
Adjustments for items not involving the movement of funds:				
Depreciation	49,945		48,322	
Quota amortisation	10,591		28,500	
(Profit)/Loss on sale of fixed assets	(32,627)		3,518	
Exchange gains on consolidation	14,569		78,594	
		42,478		158,934
<u>TOTAL (ABSORBED BY)/GENERATED FROM OPERATIONS</u>		(237,231)		479,566
<u>FUNDS FROM OTHER SOURCES</u>				
Proceeds of sale of fixed assets		100,895		35,385
		(136,336)		514,951
<u>APPLICATION OF FUNDS</u>				
Taxation paid	135,277		33,355	
Purchase of fixed assets	53,866		152,732	
Purchase of shares	-		25	
		(189,143)		(186,112)
<u>(DECREASE)/INCREASE IN WORKING CAPITAL</u>		£(325,479)		£328,839
<u>WORKING CAPITAL MOVEMENTS</u>				
Stocks		23,774		620,767
Debtors		(806,942)		992,251
Creditors		154,167		(606,346)
		(629,001)		1,006,672
<u>Movement in Net Liquid Funds</u>				
Cash at bank and in hand	216,381		(53,378)	
Bank loans and overdrafts	87,141		(624,455)	
		303,522		(677,833)
		£(325,479)		£328,839



JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS  
31ST JULY 1987

1. ACCOUNTING POLICIES

(i) Accounting Convention

The 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 1987. 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

Leasehold Property is amortised in equal instalments over the period of the lease.

Depreciation of other 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 Number 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.

# JUMP KNITWEAR LIMITED

## NOTES TO THE ACCOUNTS (Continued) 31ST JULY 1987

### 1. Continued....

#### (ix) Intangible Assets - Quota

Quota payments, to secure the supply of manufactured garments from countries from which imports are restricted, are amortised to write off the cost of purchase over four years in accordance with the terms of the quota.

### 2. TURNOVER

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

	1987	1986
<u>Class of Business</u>		
Women's clothing	15,400,002	12,594,365
Women's accessories	1,646,152	1,598,461
	<u>£17,046,154</u>	<u>£14,192,826</u>
	=====	=====
<u>Geographical Markets</u>		
United Kingdom	12,641,328	12,148,280
Europe	1,027,030	2,044,546
U.S.A.	3,377,796	-
	<u>£17,046,154</u>	<u>£14,192,826</u>
	=====	=====

### 3. RELATED COMPANIES

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

	1987	1986
Share of Profits before taxation	54,529	48,988
Taxation	29,350	9,875
	<u>25,179</u>	<u>39,113</u>
Dividends	29,719	-
	<u>£(4,540)</u>	<u>£39,113</u>
	=====	=====

The above amounts have been retained by related companies.

### 4. OPERATING (LOSS)/PROFIT

This is stated after charging:

Depreciation	£49,945	£48,322
Quota Amortisation	£10,591	£28,500
Auditors' Remuneration (Parent Company £8,000)	£11,500	£10,755
	=====	=====

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (Continued)  
31ST JULY 1987

5. EMPLOYEES

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

	1987	1986
Category:		
Selling, Distribution and Administration	41	41

Staff costs during the year amounted to:

Wages and Salaries	712,461	798,235
Social Security Costs	64,121	59,177
	<u>£776,582</u>	<u>£857,412</u>

Staff costs include the following in respect of Directors' Emoluments

£ 75,618	£ 93,685
----------	----------

Emoluments of the Chairman (excluding pension contributions)

£ 23,654	£ 18,847
----------	----------

Highest paid director

£ 31,964	£ 61,106
----------	----------

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

£15,001 - £20,000	1	1
-------------------	---	---

Higher Paid Employees

£30,001 - £35,000	-	2
£40,001 - £45,000	-	1
£100,001 - £105,000	1	-
£165,001 - £170,000	-	1

6. INTEREST PAYABLE

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

£270,054	£154,771
----------	----------

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

UK Corporation Tax at 35% (1986: 35%)

- Group	73,530	(122,109)
- Related Companies	(18,358)	(9,875)
Tax Credits on Related Companies' Dividends	(10,992)	(14,681)
Deferred Tax	28,659	-
	<u>£ 72,839</u>	<u>£(146,665)</u>

JUMP KNITWEAR LIMITED

NOTES TO THE ACCOUNTS (Continued)  
31ST JULY 1987

8. INTANGIBLE ASSETS

Group and Company

	1987	1986
Cost of Import Quota as at 1st January 1983	110,382	110,382
Less:		
Amortisation to 31st July 1986	(99,791)	(71,291)
Amortisation for the year ended 31st July 1987	(10,591)	(28,500)
	-----	-----
	£ NIL	£ 10,591
	=====	=====

9. TANGIBLE FIXED ASSETS

Group and Company

	LONG LEASEHOLD PROPERTY	FIXTURES AND FITTINGS	MOTOR VEHICLES	TOTAL
<u>Cost</u>				
1st August 1986	46,500	246,073	155,712	448,285
Additions	-	18,854	35,012	53,866
Disposals	(46,500)	(35,938)	(42,747)	(125,185)
	-----	-----	-----	-----
At 31st July 1987	£ NIL	£228,989	£147,977	£376,966
	=====	=====	=====	=====
<u>Depreciation</u>				
1st August 1986	792	167,166	48,694	216,652
Charge for the year	400	22,145	27,400	49,945
Eliminated on Disposals	(1,192)	(34,194)	(21,532)	(56,918)
	-----	-----	-----	-----
At 31st July 1987	£ NIL	£155,117	£ 54,562	£209,679
	=====	=====	=====	=====
<u>Net Book Value</u>				
At 31st July 1987	£ NIL	£ 73,872	£ 93,415	£167,287
	=====	=====	=====	=====
At 1st August 1986	£45,708	£ 78,907	£107,018	£231,633
	=====	=====	=====	=====

# JUMP KNITWEAR LIMITED

## NOTES TO THE ACCOUNTS (Continued) 31ST JULY 1987

### 10. INVESTMENTS

<u>Group</u>	<u>Related Companies</u>
At 1st August 1986	14,585
Share of related companies' results	(4,540)
Dilution Re: Bonus Issue of Shares	(457)
	-----
At 31st July 1987	£ 9,588
	*****

<u>Company</u>	<u>Related Companies</u>	<u>Group Companies</u>	<u>Total</u>
At 1st August 1986	75	27,538	27,613
Additions	-	4	4
	-----	-----	-----
At 31st July 1987	£ 75	£27,542	£27,617
	*****	*****	*****

The Group held more than 10% of the issued share capital 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%
<u>Related Companies</u>			
The Associated Clothing Company Limited	England	Ordinary	40%
Babyface Limited	England	Ordinary	25%

### 11. STOCKS

	1987		1986	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
Raw Materials	248,977	248,977	192,197	192,197
Work in Progress	-	-	223,328	223,328
Finished Goods	1,594,075	1,221,432	1,403,753	1,192,267
	-----	-----	-----	-----
	£1,843,052	£1,470,409	£1,819,278	£1,607,792
	*****	*****	*****	*****

# JUMP KNITWEAR LIMITED

## NOTES TO THE ACCOUNTS (Continued) 31ST JULY 1987

### 12. DEBTORS

	1987		1986	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
Trade Debtors	1,746,573	1,746,573	2,211,895	2,209,765
Amounts owed by Group Companies	-	28,083	-	28,083
Amounts owed by Related Companies	67,935	67,935	283,240	283,240
Other Debtors (Note 18)	101,683	91,526	188,406	185,956
Prepayments and accrued income	55,218	55,218	28,737	28,737
	<u>£1,971,409</u>	<u>£1,989,335</u>	<u>£2,712,278</u>	<u>£2,735,781</u>
	*****	*****	*****	*****

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1987		1986	
	<u>Group</u>	<u>Company</u>	<u>Group</u>	<u>Company</u>
Bank Loans and Overdrafts (see below)	1,431,571	1,431,571	1,518,712	1,518,712
Trade Creditors	1,467,840	1,329,335	2,021,857	1,741,029
Amounts owed to Group Companies	-	386,599	-	358,479
Corporation Tax	-	-	124,377	117,507
Other Taxes and Social Security Costs	226,164	226,164	231,635	231,635
Other Creditors	146,016	146,016	5,124	5,124
Accruals	496,128	114,652	236,287	233,406
	<u>£3,767,719</u>	<u>£3,634,337</u>	<u>£4,137,992</u>	<u>£4,205,892</u>
	*****	*****	*****	*****

Bank Loans and Overdrafts of £1,431,571 (1986: £1,518,712) are secured by a fixed and floating charge over the Group's assets together with a Guarantee.

### 14. PROVISION FOR LIABILITIES AND CHARGES

This comprises deferred taxation. The provision in the accounts and the potential amounts are as follows:-

	1987	1986
Accelerated Capital Allowances	£ 6,791	£35,400
	*****	*****

### 15. 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 1987

16. RESERVES

<u>Group</u>	<u>OTHER RESERVES</u>	<u>RELATED COMPANIES RESERVES</u>	<u>PROFIT AND LOSS ACCOUNT</u>
At 1st August 1986	358	14,202	618,661
Exchange Adjustments	-	-	14,569
Retained Loss	-	(4,540)	(191,338)
Dilution Re: Bonus Issue of Shares	-	(457)	-
At 31st July 1987	£358	£ 9,205	£441,892
	=====	=====	=====
<u>Company</u>			
At 1st August 1986			374,271
Retained loss			(143,643)
At 31st July 1987			£230,628
			=====

17. CONTINGENT LIABILITIES

- (i) The liability under open documentary credits amounted to £600,674 (1986: £418,885).
- (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 £600,000 (1986: £600,000).

18. TRANSACTIONS WITH DIRECTORS

Included in 'other debtors' is a loan to a Director, Mr. L.N. Caring. No movement has arisen on this loan during the year and the amount outstanding at the end of the year was £2,151.