

Registration number 1163921

**PEPE (UK) LIMITED**

**Directors' report and financial statements**

**for the year ended 31 March 2004**



## **PEPE (UK) LIMITED**

### **Company information**

Directors	Mang-Yin Ma N S Soneji
Secretary	V K Shah
Company number	1163921
Registered office	99c Talbot Road London W11 2AT
Auditors	Hanson Burnells Stanmore House 15-19 Church Road Stanmore Middlesex HA7 4AR

# PEPE (UK) LIMITED

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## PEPE (UK) LIMITED

### Directors' report for the year ended 31 March 2004

The directors present their report and the financial statements for the year ended 31 March 2004.

#### Principal activity and review of the business

The principal activity of the company comprise mainly of trademark ownership and management.

#### Results and dividends

The results for the year are set out on page 4.

The directors do not recommend payment of a final dividend.

#### Post balance sheet events

Mang-Yin Ma

- -

N S Soneji

- -

- -

#### 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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:


- select suitable accounting policies and 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.

#### Auditors

The company has by elective resolution under Section 386(1) of the Companies Act 1985 dispensed with the annual reappointment of the auditors. Hanson Burnells will be deemed to be reappointed for each succeeding financial year.

This report was approved by the Board on 22 October 2004 and signed on its behalf by



N S Soneji  
Director

## **PEPE (UK) LIMITED**

### **Independent auditors' report to the shareholders of PEPE (UK) LIMITED**

We have audited the financial statements of Pepe (UK) Limited for the year ended 31 March 2004 which comprise the profit and loss account, the balance sheet and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

*continued on page 3*

**PEPE (UK) LIMITED**

**Independent auditors' report to the shareholders of PEPE (UK) LIMITED continued**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Hanson Burnells*

**Hanson Burnells**

*Chartered Certified Accountants and*

*Registered Auditors*

Stanmore House

15-19 Church Road

Stanmore

Middlesex

HA7 4AR

22 October 2004

**PEPE (UK) LIMITED**

**Profit and loss account  
for the year ended 31 March 2004**

		<b>Continuing operations</b>	
		<b>2004</b>	<b>2003</b>
	<b>Notes</b>	<b>GBP£'000</b>	<b>GBP£'000</b>
<b>Turnover</b>	<b>2</b>	-	36
Administrative expenses		(50)	15
<b>Operating (loss)/profit</b>	<b>3</b>	(50)	51
Investment income	<b>4</b>	14	18
<b>(Loss)/profit on ordinary activities before taxation</b>		(36)	69
Tax on (loss)/profit on ordinary activities	<b>5</b>	24	(6)
<b>(Loss)/profit on ordinary activities after taxation</b>		(12)	63
Accumulated loss brought forward		(488)	(551)
<b>Accumulated loss carried forward</b>		(500)	(488)

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 10 form an integral part of these financial statements.

**PEPE (UK) LIMITED**

**Balance sheet  
as at 31 March 2004**

		<b>2004</b>		<b>2003</b>	
	<b>Notes</b>	<b>GBP£'000</b>	<b>GBP£'000</b>	<b>GBP£'000</b>	<b>GBP£'000</b>
<b>Current assets</b>					
Debtors	<b>6</b>	948		998	
Cash at bank and in hand		11		14	
		<u>959</u>		<u>1,012</u>	
<b>Creditors: amounts falling due within one year</b>	<b>7</b>	<u>(81)</u>		<u>(111)</u>	
<b>Net current assets</b>			<u>878</u>		<u>901</u>
<b>Total assets less current liabilities</b>			878		901
<b>Creditors: amounts falling due after more than one year</b>	<b>8</b>		-		(11)
<b>Net assets</b>			<u>878</u>		<u>890</u>
<b>Capital and reserves</b>					
Called up share capital	<b>9</b>		1,091		1,091
Share premium account	<b>10</b>		287		287
Profit and loss account	<b>10</b>		(500)		(488)
<b>Shareholders' funds</b>	<b>11</b>		<u>878</u>		<u>890</u>

The financial statements were approved by the Board on 22 October 2004 and signed on its behalf by

  
**N S Soneji**  
**Director**

The notes on pages 6 to 10 form an integral part of these financial statements.



## PEPE (UK) LIMITED

### Notes to the financial statements for the year ended 31 March 2004

#### 1. Accounting policies

##### 1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

A cashflow statement has been presented in the consolidated financial statements of the parent company. Accordingly the company has taken advantage of the exemption in FRS1 from the requirement to produce its own cashflow statement.

##### 1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales and services made during the year.

##### 1.3. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

*Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;*

*Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;*

*Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.*

*Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.*

##### 1.4. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

#### 2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

**PEPE (UK) LIMITED**

**Notes to the financial statements  
for the year ended 31 March 2004**

..... continued

<b>3. Operating (loss)/profit</b>	<b>2004 GBP£'000</b>	<b>2003 GBP£'000</b>
Operating (loss)/profit is stated after charging:		
Loss/(profit) on foreign currencies	9	(44)
Auditors' remuneration	3	2
	<u>          </u>	<u>          </u>
 <b>4. Income from investments</b>	 <b>2004 GBP£'000</b>	 <b>2003 GBP£'000</b>
Income from subsidiary undertakings	14	18
	<u>          </u>	<u>          </u>
 <b>Exceptional item</b>		
Write back of accrual no longer payable	-	386
	<u>          </u>	<u>          </u>

**PEPE (UK) LIMITED**

**Notes to the financial statements  
for the year ended 31 March 2004**

..... continued

**5. Tax on (loss)/profit on ordinary activities**

<b>Analysis of charge in period</b>	<b>2004</b>	<b>2003</b>
	<b>GBP£'000</b>	<b>GBP£'000</b>
<b>Current tax</b>		
UK corporation tax at 30.00% (2003 - 30.00%)	-	6
Adjustments in respect of previous periods	(24)	-
	<u>(24)</u>	<u>6</u>

**Factors affecting tax charge for period**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	<b>2004</b>	<b>2003</b>
	<b>GBP£'000</b>	<b>GBP£'000</b>
(Loss)/profit on ordinary activities before taxation	<u>(36)</u>	<u>69</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (31 March 2003 : 30%)	(11)	21
<b>Effects of:</b>		
Expenses not deductible for tax purposes	-	2
Capital allowances for period in excess of depreciation	(1)	(1)
Adjustments in respect of previous periods	(24)	-
Provision written back	-	(5)
Group relief claimed	-	(11)
Deferred tax on losses not recognised	12	
Current tax charge for period	<u>(24)</u>	<u>6</u>

**6. Debtors**

	<b>2004</b>	<b>2003</b>
	<b>GBP£'000</b>	<b>GBP£'000</b>
Amount owed by connected companies	948	989
Other debtors	-	9
	<u>948</u>	<u>998</u>

**PEPE (UK) LIMITED**

**Notes to the financial statements  
for the year ended 31 March 2004**

..... continued

7.	Creditors: amounts falling due within one year	2004 GBP£'000	2003 GBP£'000
	Trade creditors	7	17
	Amounts owed to group undertaking	70	69
	Corporation tax	-	6
	Accruals and deferred income	4	19
		<u>81</u>	<u>111</u>
8.	Creditors: amounts falling due after more than one year	2004 GBP£'000	2003 GBP£'000
	Amounts due to group undertakings	<u>-</u>	<u>11</u>
9.	Share capital	2004 GBP£'000	2003 GBP£'000
	Authorised		
	2,000,000 Ordinary shares of 1 each	<u>2,000</u>	<u>2,000</u>
	Allotted, called up and fully paid		
	1,091 Ordinary shares of 1 each	<u>1,091</u>	<u>1,091</u>
10.	Equity Reserves	Share premium account GBP£'000	Profit and loss account GBP£'000  Total GBP£'000
	At 1 April 2003	287	(488)
	(Loss)/retained profit for the year		(12)
	At 31 March 2004	<u>287</u>	<u>(500)</u>

**PEPE (UK) LIMITED**

**Notes to the financial statements  
for the year ended 31 March 2004**

..... continued

<b>11. Reconciliation of movements in shareholders' funds</b>	<b>2004 GBP£'000</b>	<b>2003 GBP£'000</b>
(Loss)/profit for the year	(12)	63
Net proceeds of equity share issue	-	1,061
Net addition to shareholders' funds	(12)	1,124
Opening shareholders' funds	890	(234)
Closing shareholders' funds	878	890

**12. Related party transactions**

During the year the company received £13,854 (2003-£18,000) interest on loans to group undertakings.

**13. Ultimate parent undertaking**

The immediate parent company is Pepe Jeans NV, a company incorporated in the Netherlands. The directors consider there is no ultimate parent company.