

Registered number: 1351648

**Brintons Overseas Holdings Limited**  
**Directors' report and financial statements**  
**for the year ended 5 July 2008**

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# **Brintons Overseas Holdings Limited**

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## **Company registration number**

1351648

## **Directors**

M A C Brinton

P J S Johansen

H N Reilly

## **Secretary**

D J Smith

## **Registered office**

PO Box 16

Exchange Street

Kidderminster

Worcestershire

DY10 1AG

## **Auditor**

KPMG LLP

## **Banker**

Lloyds TSB Bank plc

## **Directors' report for the year ended 5 July 2008**

The directors present their report and the audited financial statements for the year ended 5 July 2008.

### **Principal activity**

The company acts as an intermediate holding company.

### **Results and dividends**

The profit for the financial year after taxation amounted to £7,611 (2007: £4,201,360). An interim dividend of £nil (2007: £4,330,652) has been paid.

### **Review of the business and future developments**

During the year, manufacturing operations in a wholly-owned group undertaking, Brintons Pty Limited were ceased as part of a restructuring of global manufacturing operations. Going forward, Brintons Pty Limited will continue to operate as a sales, marketing and distribution business in Australasia.

The company will continue to pursue its principal activity for the foreseeable future.

### **Directors and their interests**

The directors, who served throughout the year, unless indicated otherwise, were as follows:

M A C Brinton  
P J S Johansen  
H N Reilly

M A C Brinton, P J S Johansen and H N Reilly are directors of the ultimate parent company, Brintons Limited, and their interests in the share capital of that company at 5 July 2008 are shown in that company's financial statements.

Save as stated herein, none of the directors had any interest in the shares or debentures of the company or of any other group company.

### **Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

## Statement of directors' responsibilities (continued)

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss for that period.

In preparing these financial statements, the directors are required to:

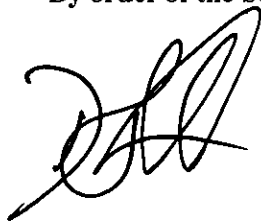
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## Auditor

A resolution for the re-appointment of KPMG LLP as auditor of the company is to be proposed at the forthcoming annual general meeting.

By order of the board



**D J Smith**  
Secretary  
29 September 2008

## **Independent auditor's report to the members of Brintons Overseas Holdings Limited**

We have audited the financial statements of Brintons Overseas Holdings Limited for the year ended 5 July 2008 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on pages 2 and 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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 judgments 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.

## Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 5 July 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*KPMG LLP*

**KPMG LLP**  
Chartered Accountants  
Registered Auditor  
29 September 2008

**Profit and loss account  
for the year ended 5 July 2008**

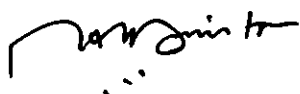
	Notes	2008 £	2007 £
Income from shares in group undertakings		-	4,666,643
Impairment adjustment to fixed asset investments	6	828	(178,624)
<b>Operating profit - continuing operations</b>		<b>828</b>	<b>4,488,019</b>
Net interest receivable/(payable) and similar charges	3	6,783	(220,582)
<b>Profit on ordinary activities before tax</b>	4	<b>7,611</b>	<b>4,267,437</b>
Taxation	5	-	(66,077)
<b>Profit on ordinary activities after tax and for the financial year</b>	9	<b>7,611</b>	<b>4,201,360</b>

The company has no recognised gains and losses other than the profit above and therefore no separate statement of total recognised gains and losses has been presented.

**Balance Sheet  
at 5 July 2008**

	Notes	2008 £	2007 £
<b>Fixed assets</b>			
Investments	6	<u>2,573,912</u>	<u>2,573,084</u>
<b>Current assets</b>			
Cash at bank and in hand		-	527
<b>Creditors: amounts falling due within one year</b>	7	<u>(1,257,502)</u>	<u>(1,264,812)</u>
<b>Net current liabilities</b>		<u>(1,257,502)</u>	<u>(1,264,285)</u>
<b>Total assets less current liabilities</b>		<u>1,316,410</u>	<u>1,308,799</u>
<b>Capital and reserves</b>			
Called up share capital	8	1,308,799	1,308,799
Profit and loss account	9	7,611	-
<b>Equity shareholders' funds</b>	9	<u>1,316,410</u>	<u>1,308,799</u>

The financial statements on pages 6 to 10 were approved by the board of directors on 29 September 2008 and signed on its behalf by:



**M A C Brinton**  
Director



## **Notes to the financial statements for the year ended 5 July 2008**

### **1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention. The financial statements have been prepared on a going concern basis because the ultimate parent undertaking, Brintons Limited, has agreed to provide financial support to the company for the foreseeable future. The financial statements are for a 53-week period (2007: 52-weeks).

#### **Consolidation**

As the company is a wholly owned subsidiary of Brintons Limited, consolidated financial statements have not been prepared by virtue of the exemption permitted by Section 228 of the Companies Act 1985.

#### **Fixed asset investments**

Shares in subsidiary undertakings are stated at original cost. Provision is made for impairment.

#### **Dividends**

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company.

#### **Cash flow statement**

The company is a wholly owned subsidiary of Brintons Limited, and the cash flow of the company is included in the consolidated cash flow statement of Brintons Limited. Consequently the company is exempt under the terms of Financial Reporting Standard No.1 'Cash Flow Statements' from publishing a cash flow statement.

#### **Related party disclosure**

As the company is a wholly owned subsidiary of Brintons Limited it has not disclosed details of transactions with other group companies by virtue of the exemption contained in paragraph 3 of Financial Reporting Standard No. 8 'Related Party Disclosures'.

### **2 Directors' emoluments**

None of the directors received any emoluments in either year. There were no employees in either year.

### **3 Net interest (payable)/receivable and similar charges**

	2008 £	2007 £
Exchange gain/(loss)	6,783	(220,582)

## 4 Auditors' Remuneration

No audit fees have been allocated to this company on the basis of size.

Amounts receivable by the Company's auditors and their associates in respect of services to the Company, for all accounts, and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the company's parent, BLK Limited.

## 5 Taxation

	2008 £	2007 £
<b>(a) Analysis of charge in the year</b>		
<b>Current tax charge:</b>		
UK corporation tax on profits of the year	-	66,077
	<hr/>	<hr/>
<b>(b) Factors affecting tax charge for year</b>	2008 £	2007 £
The tax assessed for the period is different to the standard rate of corporation tax in the UK (29.5%). The differences are explained below:		
Profit on ordinary activities before tax	7,611	4,267,437
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 29.5%	2,245	1,280,231
<i>Effects of:</i>		
(Income)/expenses not deductible for tax purposes	(244)	53,587
Non taxable income	-	(1,333,916)
Group relief	(2,001)	66,175
	<hr/>	<hr/>
Current tax charge for year	-	66,077
	<hr/>	<hr/>

## 6 Investments

<b>Shares in subsidiary undertakings:</b>	£
<b>Cost</b>	
At 1 July 2007 and 5 July 2008	3,568,475
	<hr/>
<b>Provision</b>	
At 1 July 2007	(995,391)
Impairment adjustment	828
	<hr/>
At 5 July 2008	(994,563)
	<hr/>
<b>Net book value</b>	
At 1 July 2008	2,573,912
	<hr/>
At 5 July 2008	2,573,084
	<hr/>

The impairment adjustment relates to Brintons Christchurch Yarns Limited.

## 6 Investments (continued)

Details of subsidiary undertakings and of other investments in group undertakings are as follows:

<i>Subsidiary</i>	<i>Country of incorporation</i>	<i>Holding</i>	<i>Proportion of voting rights &amp; shares held</i>	<i>Nature of business</i>
Brintons (China) Limited	UK	Ordinary shares	100%	Intermediate holding company
Brintons Pty Limited	Australia	Ordinary shares	100%	Sale of high quality Axminster and Wilton woven carpet
Brintons Christchurch Yarns Limited	Australia	Ordinary shares	*100%	Non-trader

\* 16% held directly; 84% held indirectly

## 7 Creditors

	2008 £	2007 £
<b>Amounts falling due within one year:</b>		
Amount owed to group undertakings	<b>1,257,502</b>	1,264,812

## 8 Called up share capital

	2008 £	2007 £
<b>Authorised:</b>		
Ordinary shares of £1 each	<b>10,000,100</b>	10,000,100
	2008 £	2007 £
<b>Allotted, called up and fully paid:</b>		
Ordinary shares of £1 each	<b>1,308,799</b>	1,308,799

## 9 Reconciliation of shareholders' funds and movement on reserves

	Share capital £	Profit & loss account £	Total shareholders' funds £
At 1 July 2006	100	129,292	129,392
Share capital issued	1,308,699	-	1,308,699
Profit for the year	-	4,201,360	4,201,360
Dividends	-	(4,330,652)	(4,330,652)
At 30 June 2007	1,308,799	-	1,308,799
Profit for the year	-	7,611	7,611
At 5 July 2008	<b>1,308,799</b>	<b>7,611</b>	<b>1,316,410</b>

## 10 Parent undertaking and controlling party

In the directors' opinion the company's immediate and ultimate parent undertaking and controlling party is Brintons Limited. The only group in which the results of the company are consolidated is that headed by Brintons Limited.