

No. 1683824



A. & D. HOPE (SCS) LIMITED

ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 1997



GERALD EDELMAN

CHARTERED ACCOUNTANTS

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A. & D. HOPE (SCS) LIMITED

ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1997

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A. & D. HOPE (SCS) LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and the financial statements of the company for the year ended 31st August 1997.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the company during the year continued to be the manufacture and sale of garments.

The directors are satisfied with the company's results for the year and the state of affairs at the balance sheet date, and expect continued growth in the foreseeable future.

RESULTS AND STATE OF AFFAIRS

The financial statements on pages 4 to 12 set out the results for the year ended 31st August 1997 and reflect the state of the company's affairs at that date.

DIVIDENDS

The directors have proposed a dividend of £55 per share which, excluding dividends waived, will absorb the sum of £28,050.

DIRECTORS AND THEIR INTERESTS

The members of the board during the year and their interests, including family interests, in the company's shares were as follows:-

	Interest at end of year <u>number of shares</u>	Interest at beginning of year/date of appointment, if later <u>number of shares</u>
M.A. Hope	501	501
Mrs E. Hope	399	399
F. Noble	-	-
S.C. Hope - appointed 7th April 1997	50	50
J.A. Hope - appointed 7th April 1997	50	50

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by United Kingdom company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the results for that year.

The directors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the financial statements and that applicable accounting standards have been followed. The financial statements have been prepared on the going concern basis.

The directors are also responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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 preventing and detecting fraud and other irregularities.

A. & D. HOPE (SCS) LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

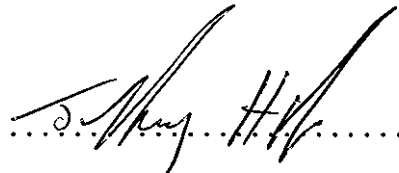
AUDITORS

A resolution will be proposed at the forthcoming Annual General Meeting for the re-appointment of Gerald Edelman, who have expressed their willingness to accept the office of auditors for the ensuing year.

BY ORDER OF THE BOARD

30th March 1998

DATED.....

..........  
(J. HOPE)  
SECRETARY

A. & D. HOPE (SCS) LIMITED

AUDITORS' REPORT TO A. & D. HOPE (SCS) LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements set out on pages 4 to 12, together with the financial statements of the company for the year ended 31st August 1997 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.


BASIS OF OPINION

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages 4 to 12 are properly prepared in accordance with that provision.

25 Harley Street  
London W1N 2BR

  
GERALD EDELMAN  
REGISTERED AUDITOR AND  
CHARTERED ACCOUNTANTS

30th March 1998

A. & D. HOPE (SCS) LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST AUGUST 1997

	<u>Note</u>	<u>1997</u> £	<u>1996</u> £
<u>Gross profit</u>		2,589,997	1,598,954
Selling and distribution expenses		(955,546)	(788,739)
Administrative expenses		(1,579,954)	(763,515)
<u>Operating profit</u>	2	54,497	46,700
Profit on sale of investments		-	38,239
Net interest payable	4	(12,837)	(14,225)
<u>Profit on ordinary activities before taxation</u>		41,660	70,714
Tax on profit on ordinary activities	5	(12,700)	(15,854)
<u>Retained profit for the year</u>		28,960	54,860
Retained profits brought forward		217,733	162,873
		246,693	217,733
Dividend	6	(28,050)	-
<u>Retained profits carried forward</u>		£ 218,643	£ 217,733

There have been no acquisitions or discontinued operations during the year. The results shown above for this year and the prior year therefore relate to continuing operations.

A. & D. HOPE (SCS) LIMITED

ABBREVIATED BALANCE SHEET AS 31ST AUGUST 1997

	Note	£	1997	£	1996	£
<u>FIXED ASSETS</u>						
Tangible assets	7		245,677		200,483	
<u>CURRENT ASSETS</u>						
Stocks	8	892,199		851,779		
Debtors	9	2,099,348		1,816,162		
Cash at bank and in hand		976,498		266,733		
		3,968,045		2,934,674		
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>						
	10	(3,966,029)		(2,888,374)		
<u>NET CURRENT ASSETS</u>						
			2,016		46,300	
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>						
		£	247,693		£	246,783
<u>CAPITAL AND RESERVES</u>						
Called up share capital	11		1,000		1,000	
Revaluation reserve			28,050		28,050	
Profit and loss account			218,643		217,733	
		£	247,693		£	246,783

The abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

SIGNED FOR AND ON BEHALF  
OF THE BOARD OF DIRECTORS

30th March 1998  
DATED.....

.....  
(M.A. HOPE)

A. & D. HOPE (SCS) LIMITED

ABBREVIATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST AUGUST 1997

	Note	£	1997	£	1996	£
Net cash movement from operating activities	13		664,898		100,838	
<u>Returns on investments and servicing of finance</u>						
Interest received		22,701		12,085		
Interest paid		(35,538)		(26,310)		
<u>Net cash movement from returns on investments and servicing of finance</u>			(12,837)		(14,225)	
<u>Taxation</u>						
Taxation paid			-		-	
<u>Capital expenditure and financial investment</u>						
Payments to acquire tangible fixed assets		(92,879)		(112,825)		
<u>Net cash movement from investing activities</u>			(92,879)		(112,825)	
<u>Movement in cash for the year</u>	14,15		£559,182		£(26,212)	



A. & D. HOPE (SCS) LIMITED

ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1997

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains and losses other than those included in the results shown on page 4 and therefore no separate statement of total recognised gains and losses has been presented.

NOTE OF HISTORICAL COST PROFITS AND LOSSES

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated on page 4 and their historical cost equivalents.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u> £	<u>1996</u> £
Total recognised gains and losses for the year	28,960	54,860
Dividend	(28,050)	-
	<hr/>	<hr/>
Net movement in shareholders' funds	910	54,860
Shareholders' funds at 31st August 1996	246,783	191,923
	<hr/>	<hr/>
Shareholders' funds at 31st August 1997	£247,693	£246,783
	<hr/>	<hr/>

A. & D. HOPE (SCS) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1997

1. ACCOUNTING POLICIES

a) Convention

The financial statements are prepared under the historical cost convention and in accordance applicable accounting standards.

b) Depreciation

Depreciation is provided on all tangible fixed assets, at annual rates calculated to write off the cost of each asset over its expected useful life, as follows:-

Freehold buildings	- 2% straight line basis
Plant and machinery	- 15% straight line basis
Motor vehicles	- 25% reducing balance basis
Fixtures and fittings	- 15% straight line basis

c) Stocks

Stocks are valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving items. In the case of manufactured products, cost includes all direct expenditure and production overheads based on a normal level of activity.

d) Contributions to pension funds

The company's pension scheme currently being funded is a defined contribution scheme, and accordingly, the charge to the profit and loss account is equal to the contributions payable to the scheme for the accounting period.

e) Government grants

Governments grants are treated as deferred credits. These are credited to the profit and loss account by instalments over the expected lives of the related assets on the same basis that the related assets are depreciated.

f) Deferred taxation

Deferred taxation is provided on the liability method on all timing differences where a liability is likely to arise in the future.

2. OPERATING PROFIT

	<u>1997</u> £	<u>1996</u> £
Operating profit is stated after charging/(crediting):		
Staff costs (note 3)	1,594,598	1,014,068
Auditors' remuneration	15,000	15,000
Depreciation	47,591	37,184
Amortisation of government grants	(493)	(493)
Loss on sale of fixed assets	94	-
Operating lease rentals - land and buildings	80,000	80,000
	<u>          </u>	<u>          </u>

A. & D. HOPE (SCS) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1997  
(CONTINUED)

3. STAFF COSTS

a) <u>Staff costs, including directors' remuneration, comprise:</u>	<u>1997</u> £	<u>1996</u> £
Wages and salaries	981,784	873,279
Social security costs	86,572	77,770
Pension costs	526,242	63,019
	<hr/>	<hr/>
	£1,594,598	£1,014,068
	<hr/>	<hr/>

b) Employees

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

	<u>1997</u> <u>Number</u>	<u>1996</u> <u>Number</u>
Production	18	26
Selling and distribution	24	18
Administration	5	5
	<hr/>	<hr/>
	47	49
	<hr/>	<hr/>

c) Directors' emoluments:

Aggregate emoluments	£322,099	£165,727
	<hr/>	<hr/>
Emoluments of the highest paid director	£ 76,403	£ 78,370
	<hr/>	<hr/>
Aggregate contributions to defined contribution pension schemes	£500,000	£ 50,000
	<hr/>	<hr/>
Number of directors in defined contribution pension scheme	4	4
	<hr/>	<hr/>

4. NET INTEREST PAYABLE

	£	£
Interest payable on bank overdrafts and loans	(4,395)	-
Other interest payable	(31,143)	(26,310)
	<hr/>	<hr/>
Bank interest receivable	(35,538)	(26,310)
	22,701	12,085
	<hr/>	<hr/>
	£(12,837)	£(14,225)
	<hr/>	<hr/>

A. & D. HOPE (SCS) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1997  
(CONTINUED)

5.	<u>TAXATION</u>	<u>1997</u> £	<u>1996</u> £			
	UK Corporation tax on profit for the year at 24%/21% (1996 - 25%/24%)	12,700	15,854			
	Overprovision in respect of prior years	-	-			
		<hr/>	<hr/>			
		£ 12,700	£ 15,854			
		<hr/>	<hr/>			
6.	<u>DIVIDEND</u>					
	Proposed, excluding dividends waived	£ 28,050	£ -			
		<hr/>	<hr/>			
7.	<u>TANGIBLE FIXED ASSETS</u>					
		<u>Total</u>	<u>Freehold land and buildings</u>	<u>Plant and machinery</u>	<u>Motor vehicles</u>	<u>Fixtures and fittings</u>
	<u>Cost or valuation</u>	£	£	£	£	£
	At 1st September 1996	430,496	90,620	76,137	107,647	156,092
	Additions	92,879	13,250	8,290	40,057	31,282
	Disposals	(4,250)	-	-	(4,250)	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	At 31st August 1997	519,125	103,870	84,427	143,454	187,374
	<u>Depreciation</u>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	At 1st September 1996	239,013	11,131	72,442	26,574	119,866
	Charge for the year	47,591	1,717	1,940	30,259	13,675
	Written back on disposals	(4,156)	-	-	(4,156)	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	At 31st August 1997	273,448	12,848	74,382	52,677	133,541
	<u>Net book value</u>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	At 31st August 1997	£245,677	91,022	10,045	90,777	53,833
	<u>Net book value</u>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	At 31st August 1996	£200,483	79,489	3,695	81,073	36,226
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The freehold land and buildings are included at the directors' 1994 valuation of £90,000, as modified by subsequent additions at cost. The historical cost of the freehold and buildings is approximately £75,200 (1996 - £61,950).

A. & D. HOPE (SCS) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1997  
(CONTINUED)

8. <u>STOCKS</u>	<u>1997</u>	<u>1996</u>
Raw materials and finished goods	£ 892,199	£ 851,779
	<hr/>	<hr/>
9. <u>DEBTORS</u>	£	£
Trade debtors	1,968,073	1,625,287
Other debtors	79,577	141,953
Prepayments and accrued income	51,698	48,922
	<hr/>	<hr/>
	£2,099,348	£1,816,162
	<hr/>	<hr/>
10. <u>CREDITORS: AMOUNTS FALLING DUE</u> <u>WITHIN ONE YEAR</u>	£	£
Bank overdraft	167,536	16,953
Trade creditors	601,303	881,783
Current corporation tax	75,854	63,154
Other taxes and social security	577,516	457,255
Other creditors	2,208,972	1,327,766
Accruals and deferred income	306,798	141,463
Dividend payable	28,050	-
	<hr/>	<hr/>
	£3,966,029	£2,888,374
	<hr/>	<hr/>
Included in accruals and deferred income is £20,173 (1996 - £20,666) in respect of deferred income from government grants.		
11. <u>CALLED UP SHARE CAPITAL</u>	<u>1997</u>	<u>1996</u>
<u>Authorised, issued and fully paid</u>		
1,000 Ordinary shares of £1 each	£ 1,000	£ 1,000
	<hr/>	<hr/>
12. <u>RELATED PARTY TRANSACTIONS</u>		
a) Included in other debtors is a balance of £69,871 due from Evergreen Clothing Limited, a company in which Mr M.A. and Mrs E. Hope have a material interest.		
b) Included in other creditors is a balance of £33,054 due to E & E Hope Limited, a company in which Mr M.A. and Mrs E. Hope have a material interest.		
c) Included in creditors are the following balances due to the respective directors.		
	£	
Mr. M.A. and Mrs. E. Hope	86,463	
Mr. S.C. Hope	30,236	
Mr. J.A. Hope	52,244	
	<hr/>	

A. & D. HOPE (SCS) LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1997  
(CONTINUED)

12. RELATED PARTY TRANSACTIONS - (continued)

- d) Management fees receivable of £95,000 have been charged to Evergreen Clothing Limited in respect of the year.

There are no terms as to interest or repayment in respect of the above balances.

Throughout the year the company was controlled by Mr M.A. Hope and Mrs E. Hope and their family interests.

13. RECONCILIATION OF OPERATING PROFIT TO NET CASH MOVEMENT FROM OPERATING ACTIVITIES

	<u>1997</u> £	<u>1996</u> £
Operating profit	54,497	46,700
Profit on sale of investments	-	38,239
Depreciation charges	47,591	37,184
Loss on sale of tangible fixed assets	94	-
Movement in stocks	(40,420)	(448,248)
Movement in debtors	(283,186)	(976,951)
Movement in current asset investments	-	7,285
Movement in creditors	886,322	1,396,629
	<hr/>	<hr/>
<u>Net cash movement from operating activities</u>	<u>£ 664,898</u>	<u>£ 100,838</u>

14. ANALYSIS OF CHANGES IN CASH DURING THE YEAR

Balance at 1st September 1996	249,780	275,992
Net cash movement	559,182	(26,212)
	<hr/>	<hr/>
Balance at 31st August 1997	£808,962	£249,780
	<hr/>	<hr/>
Cash consists of:		
Cash at bank and in hand	976,498	266,733
Bank overdraft	(167,536)	(16,953)
	<hr/>	<hr/>
	£808,962	£249,780
	<hr/>	<hr/>

15. ANALYSIS OF CHANGES IN NET CASH

	<u>At</u> <u>1997</u> £	<u>Cash</u> <u>flows</u> £	<u>At</u> <u>1996</u> £
Cash at bank and in hand	976,498	709,765	266,733
Bank overdraft	(167,536)	(150,583)	(16,953)
	<hr/>	<hr/>	<hr/>
	£808,962	559,182	249,780
	<hr/>	<hr/>	<hr/>