

# **Claremont Garments Limited**

**Directors' report and financial statements**

**30 June 2007**



**Registration number 2429682**

**Claremont Garments Limited**  
**Directors and Officers**

**DIRECTORS**

M Ellis  
S M Llewellyn

**SECRETARY AND REGISTERED OFFICE**

N Russ  
PO Box 54  
Haydn Road  
Nottingham  
NG5 1DH

**AUDITORS**

KPMG LLP  
St Nicholas House  
Park Row  
Nottingham  
NG1 6FQ

**Claremont Garments Limited**  
**Directors' Report**

The directors present their directors' report and financial statements for the year ended 30 June 2007

**Review of the business**

During the year the Company has not traded but made provisions against the cost of investment in its subsidiaries and amounts receivable from group undertakings of £645,000, and received income from its group investments of £627,000 resulting in a loss of £18,000 (2006 £nil)

The management of the business and the execution of the Company's strategy are subject to a number of risks. The Company's exposure to financial risk is limited to exposure on related party loans. The risk of foreign exchange exposure and other financial risks are insignificant, and as such no further derivative instruments are used.

**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.

**Post balance sheet event**

On 8 October 2007 the Company issued 35,678,600 ordinary shares of £1 each at par to its parent. The subscription price of £35,678,600 has been settled through amounts due to group undertakings, resulting in a corresponding increase in the Company's net assets. On the same day the Company acquired an additional 19,000 ordinary shares in its subsidiary.

**Dividends**

The directors do not recommend the payment of a dividend (2006 £nil)

**Directors and directors' interests**

The directors who served during the year are shown on page 1

**Auditors**

Pursuant to a shareholders' resolution, the Company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office.

On behalf of the board



M Ellis  
Director

18 January 2008

## **Claremont Garments Limited**

### **Statement of directors' responsibilities in respect of the directors' report and the financial statements**

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)

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 of the company for that period

In preparing the financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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 a 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

## **Report of the independent auditors to the members of Claremont Garments Limited**

We have audited the financial statements of Claremont Garments Limited for the year ended 30 June 2007 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 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 page 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 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.

### **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 30 June 2007 and of its loss 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**  
*Chartered Accountants*  
*Registered Auditor*  
*Nottingham*

18 January 2008

**Claremont Garments Limited**  
**Profit and Loss Account**  
**For the year ended 30 June 2007**

	Note	2007 £000	2006 £000
Administrative expenses		(645)	-
<b>Operating (loss) / profit</b>	2 - 3	<u>(645)</u>	<u>-</u>
Income from shares in group undertakings		627	-
<b>(Loss) / profit before taxation</b>		<u>(18)</u>	<u>-</u>
Taxation	4	-	-
<b>(Loss) / profit for the year</b>		<u><u>(18)</u></u>	<u><u>-</u></u>

All of the above results have arisen from continuing activities

There are no recognised gains or losses in either year other than the result for that year

**Claremont Garments Limited**  
**Balance Sheet**  
**As at 30 June 2007**

	Note	2007 £ 000	2006 £ 000
<b>Fixed assets</b>			
Investments	5	3,607	4,231
<b>Current assets</b>			
Debtors	6	-	21
<b>Creditors: amounts falling due within one year</b>	7	(39,287)	(39,914)
<b>Net current liabilities</b>		<u>(39,287)</u>	<u>(39,893)</u>
<b>Net liabilities</b>		<u><u>(35,680)</u></u>	<u><u>(35,662)</u></u>
<b>Capital and reserves</b>			
Called up share capital	8	-	-
Profit and loss account	9	(35,680)	(35,662)
<b>Shareholders' funds</b>	10	<u><u>(35,680)</u></u>	<u><u>(35,662)</u></u>

The accounts on pages 5 to 10 were approved by the board of directors on 18 January 2008 and signed on its behalf by

  
M Ellis  
Director

**Claremont Garments Limited**  
**Notes to the Accounts**  
**At 30 June 2007**

**1 Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

***Basis of preparation***

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group

***Cash flow statement***

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size

***Going concern***

The financial statements have been prepared on a going concern basis notwithstanding net liabilities of £35,680,000, which assumes the continuing support of the parent company for the foreseeable future

***Investments held as fixed assets***

Investments in subsidiary undertakings are shown at cost less provision for impairment

***Taxation***

The charge for taxation is based on the profit / loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

***Classification of financial instruments issued by the Company***

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions

a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and

b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital exclude amounts in relation to those shares

***Dividends on shares presented within shareholders' funds***

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. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements



**Claremont Garments Limited**  
**Notes to the Accounts**  
**At 30 June 2007**

<b>2 Operating (loss) / profit</b>	<b>2007</b>	<b>2006</b>
	<b>£ 000</b>	<b>£ 000</b>
This is stated after charging		
Provision against investment in subsidiary undertaking	626	-
Increase in provision against amount owed by group undertaking	<u>19</u>	<u>-</u>

**3 Directors' remuneration**

None of the directors received any emoluments or accrued retirement benefits under defined contribution or defined benefit schemes in respect of their services to the company (2006 nil)

The average number of employees during the year was nil (2006 nil)

<b>4 Taxation</b>	<b>2007</b>	<b>2006</b>
	<b>£000</b>	<b>£000</b>
UK corporation tax	<u>-</u>	<u>-</u>
The tax assessed for the year is lower (2006 the same as) the standard rate of corporation tax in the UK (30%) The differences are explained below		
(Loss) / profit on ordinary activities before taxation	<u>(18)</u>	<u>-</u>
(Loss) / profit on ordinary activities at the UK standard rate of corporation tax of 30%	(5)	-
Effects of		
Additional tax benefits / non taxable income	(188)	-
Provisions not deductible for tax	<u>193</u>	<u>-</u>
	<u>-</u>	<u>-</u>

**5 Investments**

**Investments  
in subsidiary  
undertakings**  
**£ 000**

**Shares at cost**

At 30 June 2006

19,774

Additions

2

At 30 June 2007

19,776

**Provision**

At 30 June 2006

15,543

Written off to profit and loss account

626

At 30 June 2007

16,169

**Net book value**

At 30 June 2007

3,607

At 30 June 2006

4,231

**Claremont Garments Limited**  
**Notes to the Accounts**  
**At 30 June 2007**

**5 Investments (continued)**

The company owns the share capital of the following companies

Company	Country of registration or incorporation	Shares held		Nature of business
		Class	%	
D & H Cohen Limited	Scotland	Ordinary	100	Non-trading
J & J Fashions Limited	England	Ordinary	100	Non-trading
J & J Fashions International Limited	England	Ordinary	100	Non-trading
Taylor Merrymade Limited	England	Ordinary	100	Non-trading
Mainstream Fashions Limited	England	Ordinary	100	Non-trading

In the opinion of the directors, the aggregate value of the shares in and amounts owing from the subsidiary undertakings is not less than the aggregate amounts at which these items are stated in the company's balance sheet

J & J Fashions Limited, J & J Fashions International Limited and Mainstream Fashions Limited were placed into liquidation during the year

<b>6 Debtors</b>			<b>2007</b>	<b>2006</b>
			<b>£ 000</b>	<b>£ 000</b>
Amounts owed by group undertakings			-	21
			<u>-</u>	<u>21</u>
<b>7 Creditors: amounts falling within one year</b>			<b>2007</b>	<b>2006</b>
			<b>£ 000</b>	<b>£ 000</b>
Amounts owed to group undertakings			39,287	39,914
			<u>39,287</u>	<u>39,914</u>
<b>8 Share capital</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>No.</b>	<b>No.</b>	<b>£</b>	<b>£</b>
Authorised, issued and fully paid				
Ordinary shares of £1 each	100	100	100	100
			<u>100</u>	<u>100</u>
<b>9 Profit and loss account</b>				<b>£ 000</b>
At 30 June 2006				(35,662)
Loss for the year				(18)
At 30 June 2007				<u>(35,680)</u>
<b>10 Reconciliation of movement in shareholders' funds</b>			<b>2007</b>	<b>2006</b>
			<b>£ 000</b>	<b>£ 000</b>
(Loss) / profit for the year			(18)	-
Opening shareholders' funds			(35,662)	(35,662)
Closing shareholders' funds			<u>(35,680)</u>	<u>(35,662)</u>

**Claremont Garments Limited**  
**Notes to the Accounts**  
**At 30 June 2007**

**11 Related party transactions**

The following transactions were carried out with related parties	2007 £ 000	2006 £ 000
Provision against investment in subsidiary		
J&J Fashions International Limited	624	-
Mainstream Fashions Limited	2	-
	<u>626</u>	<u>-</u>
Provision against debtor due from subsidiaries		
Taylor Merrymade Limited	<u>19</u>	<u>-</u>
Dividend received from subsidiary		
J&J Fashions International Limited	<u>627</u>	<u>-</u>

The dividend has been settled in specie by a reduction in the creditor due to J&J Fashions International Limited

At the balance sheet date the following debtors were due from subsidiaries		
Taylor Merrymade Limited	-	19
Mainstream Fashions Limited	-	2
	<u>-</u>	<u>21</u>

At 30 June 2007 a debtor of £19,000 was due to the Company from Taylor Merrymade Limited but this debtor has been fully provided against

The following balances were due, to related parties at the balance sheet date

Parent		
Claremont Garments Holdings Limited	35,679	35,679
Subsidiaries		
D & H Cohen Limited	2,907	2,907
J&J Fashions Limited	701	701
J&J Fashions International Limited	-	627
	<u>39,287</u>	<u>39,914</u>

**12 Ultimate parent undertaking**

The Company is wholly owned by Claremont Garments (Holdings) Limited, incorporated in England and Wales. Huit Holdings Limited, incorporated in Hong Kong, is the Company's ultimate parent company. The ultimate controlling party is Ng Man Choong, the beneficial shareholder of 100% of Huit Holdings Limited.

No other group financial statements include the results of the Company.

**13 Post balance sheet event**

On 8 October 2007 the Company issued 35,678,600 ordinary shares of £1 each at par to its parent. The subscription price of £35,678,600 has been settled through amounts due to group undertakings, resulting in a corresponding increase in the Company's net assets. On the same day the Company acquired an additional 19,000 ordinary shares in its subsidiary.