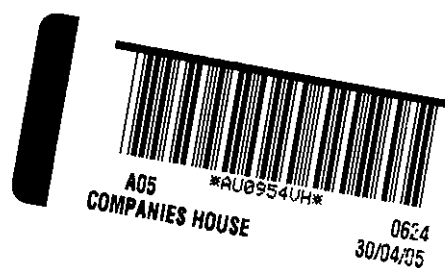


**AMERICANA INTERNATIONAL (2002)  
LIMITED**

**Report and Financial Statements**

**30 June 2004**



**AMERICANA INTERNATIONAL (2002) LIMITED (formerly Americana International Limited)**

**REPORT AND FINANCIAL STATEMENTS 2004**

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# **AMERICANA INTERNATIONAL (2002) LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2004**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

S Donaldson  
S Hague  
K B Vidler

#### **SECRETARY**

S Donaldson

#### **REGISTERED OFFICE**

Tanzaro House  
Ardwick Green North  
Manchester  
M12 6FZ

#### **BANKERS**

National Westminster Bank Plc  
Royal Bank of Scotland Group  
1 Spinningfields Square  
Manchester  
M3 3AP

#### **SOLICITORS**

Addleshaw Goddard  
100 Barbirolli Square  
Manchester  
M2 3AB

#### **AUDITORS**

Deloitte & Touche LLP  
Chartered Accountants  
Manchester

# AMERICANA INTERNATIONAL (2002) LIMITED

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the 18 month period ended 30 June 2004.

## ACTIVITIES

The principal activity of the company in the period under review was that of wholesale fashionwear. On 7 August 2003, the trade and net assets of the company were transferred at net book value to Americana Holdings Limited as part of the acquisition of that company by the ultimate parent company Americana International Limited. With effect from 8 August 2003, the company became dormant.

## REVIEW OF BUSINESS

The results for the period and financial position of the company are shown in the annexed financial statements.

## CHANGE OF NAME AND FINANCIAL YEAR END

On 21 August 2003, the company changed its name from Americana International Limited to Americana International (2002) Limited. The company's financial year end has changed from 31 December to 30 June.

## DIVIDENDS

During the period, dividends of £5,983,020 were declared as part of the hive up of the net assets of the company (year ended 31 December 2002 - £nil). The directors do not recommend the payment of a final dividend on the ordinary shares (year ended 31 December 2002 - £nil).

## DIRECTORS AND THEIR INTERESTS

The directors during the period under review were:

N Z Marar	Resigned 6 August 2003
J B Suddons	Resigned 6 August 2003
A Horridge	Resigned 7 June 2004
M F Morgan	Appointed 7 August 2003, Resigned 7 June 2004
K B Vidler	Appointed 27 September 2004
S Donaldson	Appointed 9 June 2004
A M Cooper	Appointed 7 August 2003, resigned 15 March 2005
S Hague	Appointed 7 August 2003

The directors holding office at 30 June 2004 did not hold any beneficial interest in the issued share capital of the company at 1 January 2003 or 30 June 2004.

The interests of S Donaldson, A M Cooper and S Hague in the share capital of the ultimate parent company are disclosed in the financial statements of that company.

The directors have no other interests to be disclosed under the Companies Act 1985.

## AUDITORS

Deloitte & Touche LLP were appointed auditors during the period. A resolution to confirm the appointment of Deloitte & Touche LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



S Donaldson  
Director

28 Apr. 7 2005

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom company law requires the directors 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 profit or loss of the company for that period. In preparing those 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 accounting standards have been followed; 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 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 the system of internal control, safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AMERICANA INTERNATIONAL (2002) LIMITED**

We have audited the financial statements of Americana International (2002) Limited (formerly Americana International Limited) for the 18 month period ended 30 June 2004 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 20. 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 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 members 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 United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and 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 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 for the above year and consider the implications for our report if we become aware of any apparent misstatements.

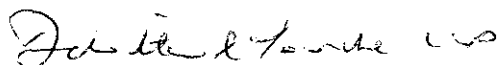
### **Basis of audit opinion**

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.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 June 2004 and of its profit for the 18 month period then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
Manchester

29 April 2005

# AMERICANA INTERNATIONAL (2002) LIMITED

## PROFIT AND LOSS ACCOUNT

18 month period ended 30 June 2004

	Note	18 months ended 30 June 2004 £	Year ended 31 December 2002 £
<b>TURNOVER</b>	2	14,154,134	20,006,804
Cost of sales		(9,323,657)	(13,458,668)
<b>GROSS PROFIT</b>		4,830,477	6,548,136
Administrative expenses		(2,303,093)	(3,019,700)
Other operating income		-	524,209
<b>OPERATING PROFIT</b>		2,527,384	4,052,645
Interest receivable and similar income	5	7,309	2,332
Interest payable and similar charges	6	(315)	(17,128)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	2,534,378	4,037,849
Tax on profit on ordinary activities	7	(820,716)	(1,211,156)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		1,713,662	2,826,693
Dividends	8	(5,983,020)	-
<b>RETAINED (LOSS)/PROFIT FOR THE PERIOD</b>	17	(4,269,358)	2,826,693

All activity has arisen from discontinued operations.

The company has no recognised gains or losses other than the profits and losses for the current and previous period.

The accompanying notes are an integral part of this profit and loss account.

# AMERICANA INTERNATIONAL (2002) LIMITED

## BALANCE SHEET 30 June 2004

	Note	£	30 June 2004 £	31 December 2002 £
<b>FIXED ASSETS</b>				
Tangible assets	9		-	166,095
Investments	10		-	35,700
			<u>-</u>	<u>201,795</u>
<b>CURRENT ASSETS</b>				
Stocks	11	-	2,284,728	
Debtors	12	100	5,337,535	
Cash at bank and in hand		-	829,996	
			<u>-</u>	<u>8,452,259</u>
<b>CREDITORS: amounts falling due within one year</b>	13	-	<u>(4,384,596)</u>	
<b>NET CURRENT ASSETS</b>			<u>100</u>	<u>4,067,663</u>
<b>NET ASSETS</b>			<u>100</u>	<u>4,269,458</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	16		100	100
Profit and loss account	17		-	4,269,358
<b>EQUITY SHAREHOLDERS' FUNDS</b>	20		<u>100</u>	<u>4,269,458</u>

The accompanying notes are an integral part of this balance sheet.

These financial statements were approved by the Board of Directors on

29 Apr 7 2005.

Signed on behalf of the Board of Directors



S Donaldson  
Director



**NOTES TO THE FINANCIAL STATEMENTS**

**18 month period ended 30 June 2004**

**1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. They have been applied consistently throughout the period and preceding year.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Cash flow statement**

The company has taken advantage of the exemption afforded by FRS1 (Revised 1996) Cash Flow Statements to present a cash flow statement on the basis that it is a wholly owned subsidiary undertaking of Americana International Limited which prepares consolidated financial statements which are publicly available, and include a consolidated cash flow statement.

The company is also, on this basis, exempt from the requirement to prepare consolidated financial statements.

**Turnover**

Turnover represents net invoiced sale of goods, after deduction of trade discounts and value added tax. Revenue is recognised in the profit and loss account upon the raising of invoices, which corresponds with the despatch of goods.

**Tangible fixed assets**

Depreciation is provided on cost less provision for impairment in equal annual instalments over the estimated useful lives of the assets. The rates of depreciation are as follows:

Fixtures and fittings	20% on cost
-----------------------	-------------

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowances for obsolete and slow moving items. Net realisable value is based on estimated selling price less all relevant marketing and selling costs.

**Deferred taxation**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

**Pensions**

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions for the year are charged to the profit and loss account.

# AMERICANA INTERNATIONAL (2002) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

18 month period ended 30 June 2004

### 2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company,

Turnover attributable to geographical markets outside the United Kingdom amounted to 7% (2002 – 5%).

### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Staff costs during the period (including directors)

	18 months ended 30 June 2004 £	Year ended 31 December 2002 £
Wages and salaries	885,693	1,884,617
Social security costs	72,800	167,461
Other pension costs	-	109,000
	<u>958,493</u>	<u>2,161,078</u>

The average number of employees during the period was as follows:

	18 months ended 30 June 2004 No.	Year ended 31 December 2002 No.
Administration	15	37
Warehouse	16	42
	<u>31</u>	<u>79</u>

#### Directors' emoluments

	£	£
Aggregate emoluments	728,085	1,037,643
Directors' pension contributions to money purchase schemes	-	109,000
	<u>-</u>	<u>109,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

	-	2
Money purchase schemes	<u>-</u>	<u>2</u>

Information regarding the highest paid director is as follows:

	£	£
Emoluments	118,000	490,000
	<u>118,000</u>	<u>490,000</u>

# AMERICANA INTERNATIONAL (2002) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

18 month period ended 30 June 2004

### 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit on ordinary activities is stated after charging:

	18 months ended 30 June 2004 £	Year ended 31 December 2002 £
Depreciation - owned assets	46,418	77,367
Loss on disposal of fixed assets	-	3,628
Rentals under operating leases:		
- plant and machinery	9,872	-
- other	39,125	-
Auditors' remuneration - audit	7,975	8,200
- other services	3,775	25,174
Foreign exchange differences	(1,107)	(324,209)

### 5. INTEREST RECEIVABLE AND SIMILAR INCOME

	18 months ended 30 June 2004 £	Year ended 31 December 2002 £
Deposit account interest	7,309	2,332

### 6. INTEREST PAYABLE AND SIMILAR CHARGES

	18 months ended 30 June 2004 £	Year ended 31 December 2002 £
Bank overdraft interest	315	17,128

**NOTES TO THE FINANCIAL STATEMENTS**  
**18 month period ended 30 June 2004**

**7. TAX ON PROFIT ON ORDINARY ACTIVITIES**

**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the period was as follows:

	18 months ended 30 June 2004 £	Year ended 31 December 2002 £
<b>Current tax</b>		
UK corporation tax	760,313	1,218,066
Adjustments in respect of previous years	60,403	(815)
Total current tax	820,716	1,217,251
<b>Deferred taxation</b>	-	(6,095)
Tax on profit on ordinary activities	820,716	1,211,156

**Factors affecting the tax charge**

The tax assessed for the period is different than the standard rate of corporation tax in the UK, 30%. The difference is explained below:

	18 months ended 30 June 2004 £	Year ended 31 December 2002 £
Profit on ordinary activities before tax	2,534,378	4,037,849
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2002 - 30%)	760,313	1,211,355
Effects of:		
Expenses not deductible for tax purposes	-	8,620
Capital allowances for period in excess of depreciation	-	(1,909)
Adjustments in respect of previous years	60,403	(815)
Current tax charge	820,716	1,217,251

**8. DIVIDENDS**

	18 months ended 30 June 2004 £	Year ended 31 December 2002 £
Dividends payable to parent company on hive up (£59,830.20 per share; year ended 2002 - £nil)	5,983,020	-

# AMERICANA INTERNATIONAL (2002) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS 18 month period ended 30 June 2004

### 9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £
<b>Cost</b>	
At 1 January 2003	415,476
Additions	106,977
Transfers to group undertakings	(522,453)
	<hr/>
At 30 June 2004	-
	<hr/>
<b>Depreciation</b>	
At 1 January 2003	249,381
Charge for the period	46,418
Transfers to group undertakings	(295,799)
	<hr/>
At 30 June 2004	-
	<hr/>
<b>Net book value</b>	
At 30 June 2004	-
	<hr/>
At 31 December 2002	<u>166,095</u>

### 10. FIXED ASSET INVESTMENTS

	Unlisted investments £
<b>Cost</b>	
At 1 January 2003	35,700
Acquired in the period	71,800
Transferred to group undertaking	(107,500)
	<hr/>
At 30 June 2004	-
	<hr/>
<b>Net book value</b>	
At 30 June 2004	-
	<hr/>
At 31 December 2002	<u>35,700</u>

The company had a 83.55% holding in Matrix Garments (Jiaxing) Co. Limited, a company incorporated in China. The company's shareholding was increased from 60% during the period for consideration of £71,800. The difference between net fair values and the carrying amounts of the assets and liabilities attributable to the increase in stake is not material. This was transferred to Americana Holdings Limited on 7 August 2003.

### 11. STOCKS

	30 June 2004 £	31 December 2002 £
Stocks	-	<u>2,284,728</u>

# AMERICANA INTERNATIONAL (2002) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

18 month period ended 30 June 2004

### 12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 June 2004 £	31 December 2002 £
Trade debtors	-	5,288,518
Amounts due from group companies	100	-
Prepayments and accrued income	-	49,017
	<u>100</u>	<u>5,337,535</u>

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

	30 June 2004 £	31 December 2002 £
Bank overdrafts (see note 14)	-	34,129
Trade creditors	-	1,486,042
Corporation tax	-	434,065
Taxation and social security	-	133,924
VAT	-	282,934
Amounts due to group companies	-	887,905
Accruals and deferred income	-	1,125,597
	<u>-</u>	<u>4,384,596</u>

### 14. LOANS

An analysis of the maturity of loans is given below:

	30 June 2004 £	31 December 2002 £
Amounts falling due within one year on demand:		
Bank overdrafts	-	34,129

In the prior year an unscheduled mortgage debenture was held incorporating a fixed and floating charge over all the assets of the company.

### 15. FINANCIAL COMMITMENTS

Annual commitments under non-cancellable operating leases are as follows:

	Land and buildings		Other	
	30 June 2004 £	31 December 2002 £	30 June 2004 £	31 December 2002 £
Expiring:				
Between one and two years	-	75,000	-	9,872

The obligations were transferred to Americana Holdings Limited on 7 August 2003.

# AMERICANA INTERNATIONAL (2002) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

18 month period ended 30 June 2004

### 16. CALLED UP SHARE CAPITAL

	30 June 2004 £	31 December 2002 £
Authorised 1,000 ordinary shares of £1 each	1,000	1,000
Called up, allotted and fully paid 100 ordinary shares of £1 each	100	100

### 17. RESERVES

	Profit and loss account £
At 1 January 2003	4,269,358
Retained loss for the period	(4,269,358)
At 30 June 2004	-

### 18. ULTIMATE PARENT COMPANY

The company's immediate parent undertaking is Americana Holdings Limited, a company incorporated in England and Wales. The company's ultimate parent company is Americana International Limited, a company also incorporated in England and Wales whose office is at Tanzaro House, Ardwick Green North, Manchester, M12 6FZ. Americana International Limited prepares consolidated financial statements that include the financial results of Americana International (2002) Limited.

### 19. RELATED PARTY DISCLOSURES

As a subsidiary of Americana International Limited, the company has taken advantage of the exemption in FRS 8 'Related Party Transactions' from disclosing transactions with other members of the group headed by Americana International Limited.

During the period, Americana International (2002) Limited purchased goods and services in the ordinary course of business from Matrix Garments (Jiaxing) Co. Limited, a subsidiary undertaking, at a cost of £1,054,000. At the period end, amounts owed to and from Americana International (2002) Limited in relation to the subsidiary undertaking amounted to £Nil (2002 - £Nil).

### 20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	18 months ended 30 June 2004 £	Year ended 31 December 2002 £
Profit for the financial period	1,713,662	2,826,693
Dividends	(5,983,020)	-
Net (reduction in)/addition to shareholders' funds	(4,269,358)	2,826,693
Opening shareholders' funds	4,269,458	1,442,765
Closing shareholders' funds	100	4,269,458