

Company Registration No 2947379 (England and Wales)

**DUFFER OF ST GEORGE LIMITED**  
**DIRECTORS' REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

THURSDAY



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# DUFFER OF ST GEORGE LIMITED

## COMPANY INFORMATION

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**Directors**

E A Prendergast  
M P Cairns

**Secretary**

E A Prendergast

**Company number**

2947379

**Registered office**

St George's House  
140 Shoreditch High Street  
London E1 6JE

**Accountants**

Wilson Wright & Co ,  
Chartered Accountants,  
71 Kingsway,  
London, WC2B 6ST

**Bankers**

Lloyds TSB Bank plc

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# DUFFER OF ST GEORGE LIMITED

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# DUFFER OF ST GEORGE LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2007

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The directors present their annual report and financial statements for the year ended 31 December 2007

#### Principal activities

The principal activity of the company is the wholesaling of menswear

#### Directors

The following directors have held office since 1 January 2007

E A Prendergast

M P Cairns

#### Directors' responsibilities

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 those financial statements, the directors are required to

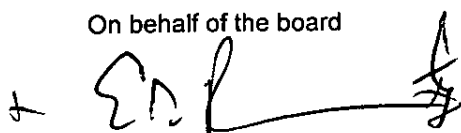
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 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.

#### Small company exemption

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



E A Prendergast

Director

24/10/2008

## DUFFER OF ST GEORGE LIMITED

### ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF DUFFER OF ST GEORGE LIMITED

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In accordance with the current engagement letter and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of Duffer of St George Limited for the year ended 31 December 2007, set out on pages 3 to 12 from the accounting records and information and explanations you have given to us

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters we have agreed to state to them in this 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 Board of Directors as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 December 2007 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



**Wilson Wright & Co.,**  
**Chartered Accountants,**  
71 Kingsway,  
London, WC2B 6ST

27/10/2008

**DUFFER OF ST GEORGE LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDED 31 DECEMBER 2007**

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		<b>2007</b>	<b>2006</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	3,327,069	4,199,042
Cost of sales		(1,576,981)	(2,352,962)
<b>Gross profit</b>		1,750,088	1,846,080
Administrative expenses		(1,838,661)	(1,869,126)
<b>Operating loss</b>	<b>3</b>	(88,573)	(23,046)
Interest payable		(136,283)	(111,970)
<b>Loss for the financial year</b>	<b>11</b>	(224,856)	(135,016)

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# DUFFER OF ST GEORGE LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2007

	Notes	2007 £	£	2006 £	£
<b>Fixed assets</b>					
Intangible assets	4		49,086		54,052
Tangible assets	5		30,894		92,732
Investments	6		7,755		7,755
			<u>87,735</u>		<u>154,539</u>
<b>Current assets</b>					
Stocks		352,944		508,591	
Debtors	7	1,070,550		1,570,809	
Cash at bank and in hand		27,745		522	
		<u>1,451,239</u>		<u>2,079,922</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(1,692,625)</u>		<u>(2,060,984)</u>	
<b>Net current (liabilities)/assets</b>			<u>(241,386)</u>		<u>18,938</u>
<b>Total assets less current liabilities</b>			<u>(153,651)</u>		<u>173,477</u>
<b>Creditors, amounts falling due after more than one year</b>	9		<u>(744,491)</u>		<u>(846,763)</u>
			<u>(898,142)</u>		<u>(673,286)</u>
<b>Capital and reserves</b>					
Called up share capital	10		100		100
Profit and loss account	11		(898,242)		(673,386)
<b>Shareholders' funds</b>			<u>(898,142)</u>		<u>(673,286)</u>

# DUFFER OF ST GEORGE LIMITED

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2007

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In preparing these financial statements

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985,
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for
  - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
  - (ii) preparing accounts 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 its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective January 2007)

Approved by the Board for issue on 24/10/2008

✓  ✓

M P Cairns  
Director



# DUFFER OF ST GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

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### 1 Accounting Policies

#### 1.1 Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently

#### 1.3 Going Concern

The financial statements have been prepared on a going concern basis, which is considered appropriate due to the continued financial support of the company's bankers and the company's shareholders. Additionally, the company's major shareholder has indicated his willingness to provide such financial support as is required for the company's operations for the foreseeable future

#### 1.4 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 248 of the Companies Act 1985 not to prepare group accounts

#### 1.5 Turnover

Turnover represents net invoiced sales of goods, excluding value added tax

#### 1.6 Patents

Trademark registrations are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives, currently considered to be 10 years

#### 1.7 Tangible fixed assets

Depreciation is provided on a straight line basis at the following annual rates in order to write off each asset over its estimated useful life

Short leasehold land and buildings	over the unexpired term of the lease
Fixtures, fittings & equipment	15% to 20%
Motor vehicles	25%

#### 1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value

#### 1.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

# DUFFER OF ST GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

### 2 Turnover

	2007 £	2006 £
An analysis of turnover is as follows		
United Kingdom	2,495,301	2,875,014
Overseas	831,768	1,324,028
	<u>3,327,069</u>	<u>4,199,042</u>

### 3 Operating loss

	2007 £	2006 £
Operating loss is stated after charging		
Amortisation of intangible fixed assets	8,869	7,868
Depreciation of tangible fixed assets	32,305	39,587
Directors' emoluments	278,647	326,400
Exchange losses	<u>58,519</u>	<u>15,575</u>

### 4 Intangible fixed assets

	Patents £
<b>Cost</b>	
At 1 January 2007	232,550
Additions	3,903
	<u>236,453</u>
At 31 December 2007	
<b>Amortisation</b>	
At 1 January 2007	178,498
Charge for the year	8,869
	<u>187,367</u>
At 31 December 2007	
<b>Net book value</b>	
At 31 December 2007	<u>49,086</u>
At 31 December 2006	<u>54,052</u>

# DUFFER OF ST GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

### 5 Tangible fixed assets

	Short leasehold land and buildings £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2007	3,841	349,448	96,495	449,784
Additions	-	6,613	-	6,613
Disposals	-	-	(96,495)	(96,495)
At 31 December 2007	3,841	356,061	-	359,902
<b>Depreciation</b>				
At 1 January 2007	3,840	307,728	45,484	357,052
On disposals	-	-	(51,515)	(51,515)
Charge for the year	-	17,440	6,031	23,471
At 31 December 2007	3,840	325,168	-	329,008
<b>Net book value</b>				
At 31 December 2007	1	30,893	-	30,894
At 31 December 2006	1	41,720	51,011	92,732

The net book value of other tangible fixed assets includes £nil (2006 - £51,011) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £6,031 (2006 - £24,124) for the year.

# DUFFER OF ST GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2007

#### 6 Fixed asset investments

	Shares in group undertakings £
<b>Cost</b>	
At 1 January 2007 & at 31 December 2007	<u>7,755</u>

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Name of Company	Country of Registration or Incorporation	Class	Shares Held %
Group undertakings			
D S G Limited	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Capital and Profit for the reserves financial year	
	£	£
D S G Limited	<u>(503,620)</u>	<u>(313,965)</u>

7 Debtors	2007 £	2006 £
Trade debtors	496,451	694,852
Amounts owed by subsidiary undertaking	470,200	170,055
Other debtors	8,308	133,252
Prepayments	95,591	572,650
	<u>1,070,550</u>	<u>1,570,809</u>

# DUFFER OF ST GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2007

8	Creditors, amounts falling due within one year	2007 £	2006 £
	Bank loan and overdraft (secured)	66,668	72,290
	Amount due to factors (secured)	101,869	140,158
	Trade creditors	320,394	910,890
	Net obligations under hire purchase contracts	-	14,139
	Taxation and social security	254,791	296,899
	Loan from major shareholder (secured)	378,427	307,617
	Other creditors	570,476	318,991
		<u>1,692,625</u>	<u>2,060,984</u>
9	Creditors' amounts falling due after more than one year	2007 £	2006 £
	Bank loan (secured)	36,330	102,998
	Net obligations under hire purchase contracts	-	38,012
	Loan from major shareholder (secured)	455,289	411,241
	Loans from other shareholders	252,872	294,512
		<u>744,491</u>	<u>846,763</u>
10	Share capital	2007 £	2006 £
	<b>Authorised</b>		
	70 Ordinary A shares of £1 each	70	70
	30 Ordinary B shares of £1 each	30	30
		<u>100</u>	<u>100</u>
	<b>Allotted, called up and fully paid</b>		
	70 Ordinary A shares of £1 each	70	70
	30 Ordinary B shares of £1 each	30	30
		<u>100</u>	<u>100</u>

The "A" and "B" ordinary shares rank par passu in all respects except those relating to the appointment and removal of directors

# DUFFER OF ST GEORGE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

### 11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 2007	(673,386)
Loss for the financial year	(224,856)
Balance at 31 December 2007	<u>(898,242)</u>

### 12 Contingent liabilities

The company has guaranteed the bank overdrafts of DSG Limited subject to a maximum of £50,000 and has agreed to provide continued financial support for its subsidiary's ongoing operations

### 13 Financial commitments

At 31 December 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2008

	2007 £	2006 £
Operating leases which expire		
Within one year	37,500	-
Between two and five years	-	50,000
	<u>37,500</u>	<u>50,000</u>

### 14 Control

The ultimate controlling party is T Heidecker

## DUFFER OF ST GEORGE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

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#### 15 Related party transactions

##### Transactions

During the year the following transactions were undertaken in the normal course of business

##### Sales

The company made sales of £59,466 (2006 £152,882) to DSG Limited, the company's wholly owned subsidiary

##### Loan Interest

Loan interest of £41,010 (2006 £41,945) was paid to T Heidecker  
£24,286 (2006 £22,059) was paid to L Prendergast, the wife of E Prendergast  
£9,784 (2006 £4,156) was paid to H Heidecker, the father of T Heidecker  
£10,755 (2006 £8,634) was paid to M Cairns

Administrative expenses include bad debt charges in respect of amounts considered irrecoverable amounting to £122,082 (2006 - £nil) from Stylebroker Limited, a company in which T Heidecker, E Prendergast and M Cairns have a significant interest, and £16,927 (2006 - £nil) from Trendsetter Limited a company in which E Prendergast and M Cairns have a significant interest

##### Guarantees

The directors have given a guarantee to Alex Lawrie Factors Limited, in respect of the company's obligations under the factoring agreement  
E Prendergast has given a personal guarantee in respect of the bank loan and overdraft

##### Balances

##### Included in debtors are amounts due from:

Stylebroker Limited	£Nil (2006 £104,892)
Trendsetter Limited	£Nil (2006 £16,927)

##### Included in creditors falling due within one year are amounts due to:

T Heidecker	£378,427 (2006 £307,617)
H Heidecker	£188,922 (2006 £187,822)
L Prendergast	£20,000 (2006 £36,000)

##### Included in creditors falling due after more than one year are amounts due to:

T Heidecker	£455,289 (2006 £411,241)
L Prendergast	£165,199 (2006 £204,512)
M Cairns	£87,673 (2006 £90,000)