

Company number : 3086814

FRENCH SOLE LIMITED
FINANCIAL STATEMENTS
31 MARCH 2008

FRIDAY



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COMPANIES HOUSE

DIRECTORS AND OFFICERS

DIRECTORS

Mrs J Winkworth
Mr J F Winkworth
Mr M G Scott
Miss L Choi

SECRETARY

Mr J F Winkworth

REGISTERED OFFICE

Unit B, Lambs Farm Business Park
Basingstoke Road
Swallowfield
Berkshire
RG7 1PQ

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
140 London Road
Guildford
Surrey GU1 1UW

DIRECTORS' REPORT

The directors submit their report and the financial statements of French Sole Limited for the year ended 31 March 2008.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be the sale of shoes.

DIRECTORS

The following directors have held office since 1 April 2007:-

Mrs J Winkworth

Mr J F Winkworth

Mr M G Scott

Miss L Choi

Miss A Price (resigned 2 January 2009)

AUDITORS

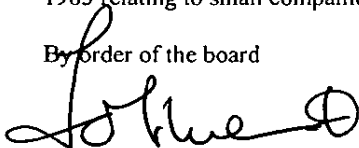
Baker Tilly UK Audit LLP, Chartered Accountants, were appointed as auditors during the year and have indicated their willingness to continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

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

By order of the board



J F Winkworth
Director

25 February 2009

**DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF
FINANCIAL STATEMENTS**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law 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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d. 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 requirements of 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FRENCH SOLE LIMITED

We have audited the financial statements on pages 5 to 11. The company was exempt from audit in the year ended 31 March 2007 and consequently the corresponding figures are unaudited.

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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards (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 explanation 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 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 United Kingdom Generally Accepted Accounting Practice, of the state of the affairs of the company's affairs and at 31 March 2008 and of its profit for the year then ended and have properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

BAKER TILLY UK AUDIT LLP

BAKER TILLY UK AUDIT LLP
Registered Auditor and Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey
GU1 1UW

26 February 2009

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2008

| | Notes | 2008 | 2007 |
|--|-------|------------------|------------------|
| TURNOVER | 1 | 3,780,603 | 4,153,680 |
| Cost of sales | | (2,038,980) | (2,562,976) |
| Gross profit | | <u>1,741,623</u> | <u>1,590,704</u> |
| Administrative expenses | | (1,466,825) | (868,983) |
| Other operating income | | 154,000 | 250 |
| OPERATING PROFIT | | <u>428,798</u> | <u>721,971</u> |
| Interest receivable | 2 | 5,979 | 12,799 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 3 | <u>434,777</u> | <u>734,770</u> |
| Tax on profit on ordinary activities | 4 | (133,682) | (219,050) |
| RETAINED PROFIT FOR THE YEAR | 10 | <u>£ 301,095</u> | <u>£ 515,720</u> |

The operating profit for the year arises from the company's continuing operations.

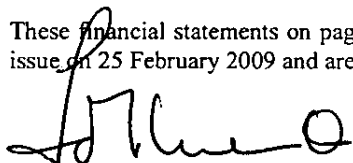
No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

BALANCE SHEET
31 March 2008

| | Notes | 2008 | 2007 |
|-------------------------------------|-------|--------------------|------------------|
| FIXED ASSETS | | | |
| Tangible assets | 5 | 168,311 | 66,462 |
| CURRENT ASSETS | | | |
| Stocks | 6 | 964,007 | 419,348 |
| Debtors | 7 | 1,052,183 | 748,446 |
| Cash at bank and in hand | | 23,360 | 421,030 |
| | | <u>2,039,550</u> | <u>1,588,824</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 8 | 1,168,194 | 916,714 |
| NET CURRENT ASSETS | | <u>871,356</u> | <u>672,110</u> |
| NET ASSETS | | <u>£ 1,039,667</u> | <u>£ 738,572</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9 | 100 | 100 |
| Profit and loss account | 10 | 1,039,567 | 738,472 |
| SHAREHOLDERS' FUNDS | 11 | <u>£ 1,039,667</u> | <u>£ 738,572</u> |

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements on pages 5 to 11 were approved by the board of directors and authorised for issue on 25 February 2009 and are signed on its behalf by:



J F Winkworth

Director

Financial statements for the year ended 31 March 2008

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

TURNOVER

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets on cost, at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

| | |
|------------------------|----------------------|
| Leasehold improvements | over length of lease |
| Plant and machinery | 25% reducing balance |
| Motor vehicle | 25% reducing balance |

STOCKS

Stock is valued at the lower of cost and net realisable value.

FOREIGN CURRENCIES

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

LEASED ASSETS AND OBLIGATIONS

The annual rentals on operating leases are charged to the profit and loss account on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008

| | 2008 | 2007 |
|---|-----------|-----------|
| 1. TURNOVER | | |
| Turnover attributable to geographical markets outside the UK | 29% | 48% |
| 2. INTEREST RECEIVABLE | | |
| Bank interest | £ 5,979 | £ 12,799 |
| 3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | |
| Profit on ordinary activities before taxation is stated after charging: | | |
| Depreciation of owned fixed assets | 39,516 | 16,614 |
| Operating lease rentals: | | |
| Land and buildings | 93,586 | 43,275 |
| Loss on disposal of fixed assets | 5,324 | - |
| Directors' remuneration | 339,275 | 104,762 |
| Auditors' remuneration | 8,000 | - |
| 4. TAXATION | | |
| Current tax: | | |
| UK Corporation tax on profit of year | 133,682 | 219,050 |
| Deferred tax: | | |
| Deferred tax for the current year | - | - |
| Tax on profit on ordinary activities | 133,682 | 219,050 |
| Factors affecting tax charge for the year | | |
| Profit on ordinary activities before tax | £ 434,777 | £ 734,770 |
| Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2007: 30%) | 130,433 | 220,431 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 11,441 | 938 |
| Other tax adjustments | (1,134) | (170) |
| Capital allowances more than depreciation | (7,058) | (2,149) |
| | £ 133,682 | £ 219,050 |

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008

5. TANGIBLE FIXED ASSETS

| | Leasehold improvements | Plant and machinery | Motor vehicles | TOTAL |
|---------------------|---------------------------|------------------------|-------------------|----------|
| Cost: | | | | |
| 1 April 2007 | 10,455 | 143,503 | 6,500 | 160,458 |
| Additions | 125,381 | 21,308 | - | 146,689 |
| Disposals | - | (47,005) | - | (47,005) |
| 31 March 2008 | 135,836 | 117,806 | 6,500 | 260,142 |
| Depreciation: | | | | |
| 1 April 2007 | 6,217 | 86,154 | 1,625 | 93,996 |
| Charge for the year | 21,564 | 16,733 | 1,219 | 39,516 |
| On disposals | - | (41,681) | - | (41,681) |
| 31 March 2008 | 27,781 | 61,206 | 2,844 | 91,831 |
| Net book value: | | | | |
| 31 March 2008 | 108,055 | 56,600 | 3,656 | 168,311 |
| 31 March 2007 | 4,238 | 57,349 | 4,875 | 66,462 |

6. STOCKS **2008** **2007**

| | | |
|----------------|-----------|-----------|
| Finished goods | £ 964,007 | £ 419,348 |
|----------------|-----------|-----------|

7. DEBTORS

| | | |
|---------------|-------------|-----------|
| Trade debtors | 796,439 | 526,097 |
| Other debtors | 255,744 | 222,349 |
| | £ 1,052,183 | £ 748,446 |

8. CREDITORS

Amounts falling due within one year:

| | | |
|--|-------------|-----------|
| Bank loans and overdrafts | 126,015 | 70,041 |
| Trade creditors | 593,696 | 590,027 |
| Corporation tax | 133,682 | 217,488 |
| Other taxation and social security costs | 157,870 | 39,158 |
| Other creditors | 156,931 | - |
| | £ 1,168,194 | £ 916,714 |

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008

| | | |
|--|-------------|--|
| 9. SHARE CAPITAL | 2008 | 2007 |
| Authorised: 1,000 ordinary shares of £1 each | £ 1,000 | £ 1,000 |
| Allotted, called up and fully paid: 100 ordinary shares of £1 each | £ 100 | £ 100 |
| 10. RESERVES | | Profit and loss account £ |
| 1 April 2007 | | 738,472 |
| Profit for the year | | 301,095 |
| 31 March 2008 | | £ 1,039,567 |
| 11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS | 2008 | 2007 |
| Profit for the financial year | 301,095 | 515,720 |
| Dividends | - | (300,000) |
| Net addition to shareholders' funds | 301,095 | 215,720 |
| Opening shareholders' funds | 738,572 | 522,852 |
| Closing shareholders' funds | £ 1,039,667 | £ 738,572 |
| 12. DIVIDENDS | | |
| Dividends paid | £ - | £ 300,000 |
| 13. COMMITMENTS UNDER OPERATING LEASES | | |
| At 31 March 2008 the company had annual commitments under operating leases as follows: | | |
| Land and buildings: | | |
| expiring within one year | 101,250 | - |
| expiring between 2 and 5 years | 14,250 | - |
| expiring in over 5 years | 23,400 | - |
| | £ 138,900 | £ - |
| 14. CAPITAL COMMITMENTS | | |
| Amounts contracted for but not provided in the accounts | £ 52,674 | £ - |

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2008

15. CONTROLLING PARTIES

The company is controlled by Mrs J Winkworth.

16. RELATED PARTY TRANSACTIONS

French Sole Limited is related to the following companies as the director of the following companies is the son of Mrs J Winkworth:

London Sole LLC

In the year French Sole Limited made sales of £314,549 (2007: £148,358) to London Sole LLC. At the balance sheet date £430,853 (2007: £495,639) was due to French Sole Limited.

French Sole Limited is also related to the following companies with which it has directors in common:

MGS Networks

In the year MGS Networks provided IT support to French Sole Limited at a cost of £57,441 (2007: £27,488). At the year end £Nil (2007: £2,107) was due from MGS Networks.

JP Winkworth

In the year French Sole Limited rented land and buildings from JP Winkworth at a cost of £65,444 (2007: £33,311). At the year end £582 was due from (2007: £56 due to) JP Winkworth.

London Sole Limited

In the year French Sole Limited made sales of £480,649 (2007: £Nil) to London Sole Limited. At the balance sheet date £226,649 (2007: £Nil) was due from and £156,931 (2007: £Nil) was due to London Sole Limited.

At the year end Mrs J Winkworth, director, owed the company £8,780 and Mr M G Scott, director, owed the company £1,786.

All related party transactions were carried out on normal business terms.