

**Incorporatewear Limited**

**Abbreviated accounts**

**Registered number 3240384**

**For the year ended 31 January 2000**



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## **Report of the auditors to the directors of Incorporatewear Limited Pursuant to Section 247B of the Companies Act 1985**

We have examined the abbreviated accounts on pages 2 to 5, together with the full financial statements of Incorporatewear Limited prepared under Section 226 of the Companies Act 1985 for the year ended 31 January 2000.

### ***Respective responsibilities of directors and auditors***

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

### ***Basis of opinion***

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does 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 accounts prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts have been properly prepared in accordance with those provisions.

**KPMG**

*Chartered Accountants  
Registered Auditors*

30 October 2000

**Balance sheet**  
*at 31 January 2000*

	Note	2000		1999	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	2		144,154		154,296
<b>Current assets</b>					
Stocks	3	968,731		488,106	
Debtors		1,753,884		300,585	
Cash at bank		-		142,672	
<b>Creditors: Amounts falling due within one year</b>	4	(2,397,098)		(674,064)	
<b>Net current assets</b>			325,517		257,299
<b>Total assets less current liabilities</b>			469,671		411,595
<b>Creditors: Amounts falling due after one year</b>	5		(7,049)		(138,947)
<b>Provisions for liabilities and charges</b>			(7,000)		(1,348)
<b>Net assets</b>			455,622		271,300
<b>Capital and reserves</b>					
Called up share capital	6		27,302		27,302
Share premium account			48,348		48,348
Profit and loss account			379,972		195,650
<b>Equity shareholders' funds</b>			455,622		271,300

The directors have taken advantage of the exemptions as conferred by Part I of Schedule 8 to the companies Act 1985 on the basis that the company qualifies as a small company.

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

These abbreviated accounts were approved by the board of directors on 30 October 2000 and were signed on its behalf by:

  
**RH Thompson**  
Director

## Notes

*(forming part of the abbreviated accounts)*

### 1 Accounting policies

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

#### ***Basis of accounting***

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

#### ***Cash flow statement***

Under Financial Reporting Standard 1 the company is exempt from the requirement prepare a cash flow statement on the grounds of its size.

#### ***Fixed assets and depreciation***

Depreciation is provided so as to write off the cost less the estimated residual value of tangible fixed assets over their estimated useful economic lives as follows:

Leasehold property	-	20% on straight line basis
Plant and machinery	-	10% on straight line basis
Motor vehicles	-	25% on straight line basis
Computers and equipment	-	20-25% on straight line basis
Computer software	-	50% on straight line basis

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

#### ***Foreign currencies***

Transactions denoted in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currency are translated into sterling using the rate of exchange ruling at the balance sheet date. Gains or losses on translation are included in the profit and loss account.

## Notes (continued)

### 2 Tangible fixed assets

	Leasehold improvements	Short leasehold property	Motor vehicles	Office equipment and furniture	Total
	£	£	£	£	£
<b>Cost</b>					
At beginning of year	60,089	18,486	89,201	78,666	246,442
Additions	4,383	22,189	-	45,569	72,141
Disposals	-	-	(43,351)	-	(43,351)
At end of year	64,472	40,675	45,850	124,235	275,232
<b>Depreciation</b>					
At beginning of year	12,003	2,323	34,516	43,304	92,146
Charge for the year	12,819	2,679	19,793	29,854	65,145
Disposals	-	-	(26,213)	-	(26,213)
At end of year	24,822	5,002	28,096	73,158	131,078
<b>Net book value</b>					
At 31 January 2000	39,650	35,673	17,754	51,077	144,154
At 31 January 1999	48,086	16,163	54,685	35,362	154,296

Included in the total net book value of £144,154 is £21,085 (1999: £49,017) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in respect of these assets amounted to £7,429 (1999: £17,510).

### 3 Stocks

	2000 £	1999 £
Raw materials	369,939	-
Finished goods	598,792	488,106
	968,731	488,106

## Notes (continued)

### 4 Creditors: Amounts falling due within one year

	2000 £	1999 £
Debenture loans	168,300	125,000
Bank overdraft	74,914	-
Obligations under finance leases and hire purchase contracts	7,691	19,520
Trade creditors	1,744,950	353,823
Corporation tax	55,000	53,774
Other taxes and social security	227,377	10,752
Other creditors	98,195	71,755
Accruals and deferred income	20,671	39,440
	<u>2,397,098</u>	<u>674,064</u>

The debenture loan is secured on the assets of the company, and is repayable on 6 June 2000. Interest is payable at 2.5% above Bank of Scotland base rate.

The bank overdraft is secured by the bank's standard debenture.

### 5 Creditors: Amounts falling due after more than one year

	2000 £	1999 £
Other loans	-	125,000
Obligations under finance leases and hire purchase contracts	7,049	13,947
	<u>7,049</u>	<u>138,947</u>

### 6 Share capital

	2000 £	1999 £
<i>Authorised allotted, called up and fully paid:</i>		
17,745 ordinary 'A' shares of £1 each	16,927	17,745
9557 ordinary 'B' shares of £1 each	10,375	9,557
	<u>27,302</u>	<u>27,302</u>

### 7 Related party transactions

On 31 July 1998 Mr J Banks was appointed as a director of the company. Since that date HQ Limited, a company of which he is a director, has provided a Design Consultancy Service to Incorporatewear Limited. The value of transactions in the period was £18,532. Amounts owing to the Design at the year end was £4,167. The transactions were all at arms length and on a normal commercial basis. There were no other transactions with related parties that would require disclosure under FRS8.