

**Formerly G Limited (formerly the Christy Group
Limited)**

**Directors' report and financial
statements**

Registered number 3338230

31 December 2010

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Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2010

Principal activity

The principal activity of the company is that of an intermediate holding company. Its only activities relate to the ongoing financing and management of the central infrastructure of the Christy Group. The costs incurred by the company are recharged to other subsidiaries within the Group. These recharges represent the company's turnover.

Business review

The results for the year are shown on page 6.

During the year Christy Group Limited was part of wider group re-organisation of the Companies owned by Christy Holdings Limited. Christy Group Limited was involved as follows:

- Christy Dressup Limited was sold to Christy Holdings Limited, the ultimate parent
- Christy Asia Limited was sold to Christy Holdings Limited, the ultimate parent
- Christy Accessories Limited was transferred to CW Headdress Limited (a wholly owned subsidiary of Christy Group Limited) and became an indirectly held investment. The cost of investment in Christy Accessories Limited was recorded as an increase in the investment in CW Headdress Limited.
- Associated British Hats Limited (dormant) was transferred to CW Headdress Limited (a wholly owned subsidiary of Christy Group Limited) and became an indirectly held investment.
- All the companies involved in the transactions are wholly owned subsidiaries of Christy Holdings Limited, the ultimate parent.

Subsequent to these transactions 15% of Christy Group Limited's investment in CW Headdress Limited was sold to three members of the group's senior management team, who are also directors of Christy Holdings Limited for £37,500. Further details are provided in note 13.

On 12 October 2011 the company changed its name to Formerly G Limited.

Proposed dividend

The directors do not recommend the payment of a dividend (2009: £nil).

Directors

The directors who held office during the year and to the date of this report were as follows:

LJ Hydleman (Resigned 30/09/2010)
AJ Lewis (Resigned 30/09/2010)
GC Panons (Resigned 30/09/2010)
S Lazenby

Certain directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Political and charitable contributions

The company made no political or charitable contributions during the year (2009: £nil).

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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Directors' report *(continued)*

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office

Going concern

The company's ultimate parent company Christy Holdings Limited has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

By order of the board



S Lazenby
Director

1 Park Row
Leeds
LS1 5AB

26th October 2011

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).

Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. They have 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.



KPMG LLP
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Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditor's report to the members of Formerly G Limited (formerly Christy Group Limited)

We have audited the financial statements of Formerly G Limited (formerly Christy Group Limited) for the year ended 31 December 2010 set out on pages 6 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report to the members of Formerly G Limited (formerly Christy Group Limited) *(continued)*

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Chris Hearld (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 The Embankment

Leeds

West Yorkshire

LS1 4DW

31 October 2011

Profit and loss account
for the year ended 31 December 2010

	<i>Note</i>	2010 £000	2009 £000
Turnover		421	3,471
Cost of sales before exceptional charges		1	1
Exceptional charges		(242)	-
Total cost of sales		(241)	1
Gross profit		180	3,472
Selling and distribution costs		(52)	(112)
Administrative expenses before exceptional charges		(1,298)	(2,613)
Exceptional charges	2	(177)	(1,574)
Total administrative expenses		(1,475)	(4,187)
Operating loss before exceptional charges		(928)	747
Operating loss		(1,347)	(827)
Profit on disposal of subsidiary undertakings	2	51	-
Interest payable and similar charges	4	(183)	(187)
Loss on ordinary activities before taxation	2-4	(1,479)	(1,014)
Tax on loss on ordinary activities	5	(1)	-
Loss for the financial year	11	(1,480)	(1,014)

There are no recognised gains or losses for the year other than the result for the year as shown above

All of the current year results arise from continuing operations

Balance sheet
at 31 December 2010

	<i>Note</i>	2010 £000	£000	2009 £000	£000
Fixed assets					
Investments	6		908		4,895
Tangible fixed assets	7		-		193
			<u>908</u>		<u>5,088</u>
Current assets					
Debtors	8	3,488		1,845	
Cash at bank and in hand		99		6	
		<u>3,587</u>		<u>1,851</u>	
Creditors amounts falling due within one year	9	(164)		(1,318)	
Net current assets			<u>3,423</u>		<u>533</u>
Total assets less current liabilities			<u>4,331</u>		<u>5,621</u>
Net assets			<u>4,331</u>		<u>5 621</u>
Capital and reserves					
Called up share capital	10		4,104		4,104
Share premium account	11		4,426		4,426
Profit and loss account	11		(4,199)		(2,909)
Equity shareholders' funds			<u>4,331</u>		<u>5,621</u>

These financial statements were approved by the board of directors on *26th October* 2011 and were signed on its behalf by



S Lazenby
 Director

Notes

(forming part of the financial statements)

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 preparation

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

The company is exempt from the requirement of Financial Reporting Standard No 1 (Revised) to prepare a cash flow on the grounds that the ultimate parent undertaking includes the company in its own published consolidated financial statements

The Company is exempt by virtue of s400 of the Companies Act 2006 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

As the company is a wholly owned subsidiary of Christy Holdings Limited, the company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Christy Holdings Limited, within which this company is included, can be obtained from 1 Park Row, Leeds, LS1 5AB

Going concern

The directors note that the Group had net assets but sustained trading losses in the year

The company's ultimate parent company Christy Holdings Limited has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Relevant factors relating to the financing of Christy Holdings Limited are set out below

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Fixtures, fittings and office equipment	-	3 to 10 years
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Leases

Assets acquired under finance leases are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the 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

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of management charges to other group companies. All turnover is derived from operations in one operational segment in the UK

2 Notes to the profit and loss account

	2010 £000	2009 £000
<i>Loss on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration		
Audit fees	6	5
Depreciation – owned	23	39
Operating lease payments		
Land and buildings	104	157
	<hr/>	<hr/>

During the year the company incurred certain costs which are deemed exceptional totalling £419,000. These are analysed as follows:

	2010 £000	2009 £000
Cost of sales – foreign exchange losses	52	-
Cost of sales – under-declared royalty payments	190	-
Onerous lease on Barnsley property	(163)	326
Re-financing costs	65	213
Restructure costs	22	18
Impairment of investment in CW Headdress Limited	-	1,014
Bad debt and debt recovery costs	45	-
Establishment of a new warehouse facility	12	-
Other	6	3
Share based payment	190	-
	<hr/>	<hr/>
	419	1,574
	<hr/>	<hr/>

Notes (continued)

2 Notes to the profit and loss account (continued)

Profit on disposal of subsidiary undertakings	Christy Asia £000	CW Headdress £000	Christy Dressup £000
Proceeds	10	38	3,990
Cost of investment	-	(28)	(3,959)
	<hr/>	<hr/>	<hr/>
Profit on disposal	10	10	31
	<hr/>	<hr/>	<hr/>

3 Remuneration of directors

The company has no employees

The emoluments of the directors of the company were borne by a fellow group undertaking. Emoluments paid to the directors in respect of the Group for the current year are shown in the accounts of the ultimate parent company, Christy Holdings Limited.

The directors received no remuneration from the company during the year (2009 £nil).

Directors' emoluments of £16,039 (2009 nil) were borne by other group companies in relation to services provided to Christy Group Limited.

In accordance with the provisions of FRS 20 the disposal of 15% of Christy Group's investment in CW Headdress Limited to senior management generated a share based payment charge of £190,000. As there were no vesting conditions to meet, this charge has been recognised in full in the 2010 financial year.

4 Interest payable and similar charges

	2010 £000	2009 £000
Fees and interest on bank loans and overdrafts	184	186
Net foreign exchange (gains) / losses	(1)	1
	<hr/>	<hr/>
	183	187
	<hr/>	<hr/>

Notes *(continued)***5 Taxation***Analysis of charge in year*

	2010 £000	2009 £000
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
Adjustments in respect of prior years	1	-
	<hr/>	<hr/>
Tax on loss on ordinary activities	1	-
	<hr/>	<hr/>

Factors affecting the tax charge for the current year

The current tax charge for the year is higher than (2009 *higher than*) the standard rate of corporation tax in the UK (28%, 2009 28%). The differences are explained below

	2010 £000	2009 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before taxation	(1,479)	(1,014)
	<hr/>	<hr/>
Current tax at 28% (2009 28%)	(414)	(284)
<i>Effects of</i>		
Expenses not deductible for tax purposes	77	286
Group relief surrendered before payment	31	-
Capital allowances in excess of depreciation	(13)	-
Short term timing differences	-	9
Unutilised/(utilisation) of tax losses	319	(11)
Adjustment in respect of prior years	1	-
	<hr/>	<hr/>
Current tax charge (see above)	-	-
	<hr/>	<hr/>

Under FRS 19, an unrecognised deferred tax asset of £338,000 exists in respect of trading losses (2009 44,000) and £nil (2009 £13,000) of accelerated capital allowances.

The directors have considered current trading results and reviewed detailed budgets and projects in considering whether these timing differences will reverse or be utilised in the foreseeable future, when deciding to not recognise these deferred tax assets.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future, against which the reversal of differences can be deducted.

Notes (continued)

6 Fixed asset investments

Company	Shares in group undertakings £'000
<i>Cost</i>	
At the beginning of the year	5,909
Disposal	(3,987)
	<hr/>
At end of the year	1,922
	<hr/>
<i>Provisions</i>	
At beginning and end of year	1,014
	<hr/>
<i>Net book value</i>	
At 31 December 2010	908
	<hr/>
At 31 December 2009	4,895
	<hr/>

The impairment test performed compared the carrying value of the cost of investment with its recoverable amount. Recoverable amount was estimated by calculating value in use on a discounted cash flow basis. The value in use was calculated using the latest three year forecast extrapolated for future years and discounted at an appropriate cost of capital.

The companies in which the company's interest at the period end is more than 20% is as follows

<i>Subsidiary undertakings</i>	Country of incorporation	Principal activity	Class and percentage of shares
CW Headdress Limited*	England	Manufacture and distribution of headwear and accessories	Ordinary 85%
Christy & Co Limited	England	Manufacture and distribution of headwear and accessories	Ordinary 85%
Christys of London Limited	England	Dormant	Ordinary 85%
Associated British Hat Manufacturers Limited	England	Dormant	Ordinary 85%

* signifies a direct investment

Notes (continued)

7 Tangible fixed assets

	Fixtures, fittings and office equipment £000	Total £000
Cost		
At beginning of year	258	258
Additions	1	1
Disposals	(259)	(259)
	<hr/>	<hr/>
At end of year	-	-
	<hr/>	<hr/>
Depreciation		
At beginning of year	65	65
Charge for year	23	23
Disposals	(88)	(88)
	<hr/>	<hr/>
At end of year	-	-
	<hr/>	<hr/>
Net book value		
At 31 December 2010	-	-
	<hr/>	<hr/>
At 31 December 2009	193	193
	<hr/>	<hr/>

During the year all assets were disposed off or considered to have £nil future value as a result of the sale of the Dress-up division of the Christy Holdings Limited Group and the transfer of the lease of the Head Office site to the Dress-up division purchaser

8 Debtors

	2010 £000	2009 £000
Amounts recoverable within one year		
Amounts owed by group undertakings	3,434	1,667
Prepayments and accrued income	16	163
Other debtors	38	15
	<hr/>	<hr/>
	3,488	1,845
	<hr/>	<hr/>

Notes *(continued)***9 Creditors: amounts falling due within one year**

	2010	2009
	£000	£000
Bank loans and overdrafts	-	33
Amounts owed to group undertakings	93	805
Trade creditors	4	77
Accruals and deferred income	67	403
	164	1,318

Analysis of debt

	2010	2009
	£000	£000
Debt can be analysed as falling due		
In one year or less, or on demand	-	33

10 Called up share capital

	2010	2009
Authorised		
Equity Ordinary shares of 5p each	105,125	105,125
Equity Preferred ordinary shares of 5p each	2,975	2,975
	108,100	108,100
	£000	£000
Allotted, called up and fully paid		
Equity Ordinary shares of 5p each	3,960	3,960
Equity Preferred ordinary shares of 5p each	144	144
	4,104	4,104

Notes (continued)

11 Share premium and reserves

	Share premium account £000	Profit and loss account £000
At beginning of year	4,426	(2,909)
Loss for the financial year	-	(1,480)
Share based payment charge	-	190
	<hr/>	<hr/>
At end of year	4,426	(4,199)
	<hr/>	<hr/>

Contingent liabilities

The company has not guaranteed the borrowings of fellow group undertakings. The amount outstanding at the year end was £ nil (2009 £6,441,128)

12 Commitments

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings	
	2010 £000	2009 £000
Operating leases which expire		
Between two and five years inclusive	-	3
After five years	-	154
	<hr/>	<hr/>

13 Related party transactions

On 30 September 2010 the company sold 15% of its investment in CW Headdress Limited (and its subsidiary undertakings) to three directors for £37,500

The payment of the sale proceeds is deferred until the directors receive a distribution from the ultimate parent undertaking Christy Holdings Limited, and is recorded as an other debtor in the financial statements

14 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a subsidiary undertaking of Christy Holdings Limited which is the ultimate parent company incorporated in England and Wales

The largest group in which the results of the Company are consolidated is that headed by Christy Holdings Limited, incorporated in England and Wales. The consolidated financial statements of the group are available to the public and may be obtained from Companies House

Notes *(continued)*

15 Post balance sheet event

On 12 October 2011 Christy Group Limited disposed of its entire investment in CW Headdress Limited and its subsidiary undertakings to Liberty Limited. The total gross consideration was £1.8 million.