

3747060

# **UMBRO LICENSING LIMITED**

## **Report and Accounts 31 December 2000**



## **UMBRO LICENSING LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000**

The directors present their report and the audited accounts of the company for the year ended 31 December 2000.

#### **PRINCIPAL ACTIVITIES**

Umbro Licensing Limited holds both trademarks and licenses and carries on the business of licensing trademarks together with the design, development and sourcing of Umbro products.

#### **REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS**

The company has continued to benefit from increasing revenues and the directors are pleased to report satisfactory results.

#### **TRADING RESULTS AND DIVIDEND**

The profit for the year after tax was £138,000 (1999 : £2,978,000).

No dividend was paid or proposed during the year (1999 : £2,716,000).

#### **DIRECTORS AND THEIR INTERESTS**

P McGuigan  
M A Corbidge  
M Monaghan

No director had any interest in the ordinary share capital of the company at 31 December 2000 or 31 December 1999 and no options to acquire shares were granted.

## **UMBRO LICENSING LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2000 (Continued)**

#### **DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts for each financial year which 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 accounts, 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, subject to any material departure disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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.

#### **AUDITORS**

A resolution to re-appoint PricewaterhouseCoopers will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



D A HARE  
SECRETARY

Umbro House  
Lakeside  
Cheadle  
Cheshire  
SK8 3GQ

Company Registered Number: 3747060

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF UMBRO LICENSING LIMITED**

We have audited the financial statements which comprise the profit and loss account and the balance sheet and the related notes which have been prepared under the historical cost convention and the accounting policies set out in the statement of accounting policies.

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

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards 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 United Kingdom Auditing Standards issued by the Auditing Practices Board.

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 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 is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

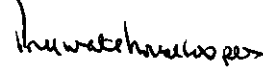
### **Basis of audit opinion**

We conducted our audit in accordance with 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 the company's affairs at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers   
Chartered Accountants and Registered Auditors  
Manchester

13 December 2001

**UMBRO LICENSING LIMITED**

**PROFIT AND LOSS ACCOUNT FOR  
THE YEAR ENDED 31 DECEMBER 2000**

	<u>Notes</u>	<u>Year ended 31 Dec 2000 £000</u>	<u>9 months ended 31 Dec 1999 £000</u>
Administration expenses		<u>(6,548)</u>	<u>(2,218)</u>
Other operating income		9,700	7,508
Other operating expenses		<u>(1,614)</u>	<u>(984)</u>
OPERATING PROFIT		1,538	4,306
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	1,538	4,306
Taxation	5	<u>(1,400)</u>	<u>(1,328)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		138	2,978
Dividends	3	<u>-</u>	<u>(2,716)</u>
PROFIT SET ASIDE TO RESERVES	9	<u>138</u>	<u>262</u>

The annexed notes form part of these accounts.

There are no other recognised gains or losses other than those shown in the profit and loss account.

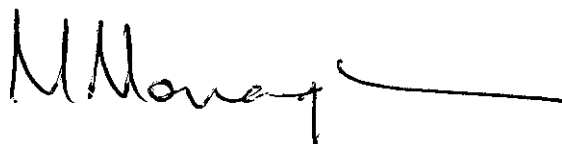
**UMBRO LICENSING LIMITED**

**BALANCE SHEET - 31 DECEMBER 2000**

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		£000	£000
<b>FIXED ASSETS</b>			
Intangible Fixed Assets	6	61,750	65,000
<b>CURRENT ASSETS</b>			
Debtors	7	<u>3,650</u>	<u>262</u>
<b>NET CURRENT ASSETS</b>		<u>3,650</u>	<u>262</u>
<b>Net assets</b>		<u><u>65,400</u></u>	<u><u>65,262</u></u>
<b>CAPITAL AND RESERVES</b>			
Equity share capital	8	-	-
Non-equity share capital	8	65,000	65,000
Profit and loss account	9	<u>400</u>	<u>262</u>
<b>Shareholders' funds (equity and non equity)</b>		<u><u>65,400</u></u>	<u><u>65,262</u></u>

Approved by the Board on 13 December 2001

DIRECTOR:



The annexed notes form part of these accounts.

# UMBRO LICENSING LIMITED

## NOTES TO THE ACCOUNTS - 31 DECEMBER 2000

### 1 STATEMENT OF ACCOUNTING POLICIES

(a) Accounting convention

The accounts have been prepared on the basis of historical cost and are in accordance with applicable accounting standards.

(b) Overseas currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or with forward contracts if applicable. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All exchange differences are taken to the Profit and Loss Account.

(c) Intangible fixed assets

Intangible fixed assets represent trademarks, licences and goodwill.

Amortisation is charged over a period of 20 years.

### 2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration is borne by Umbro International Limited who do not recharge the costs.

### 3 DIVIDENDS

	<u>2000</u> £000	<u>1999</u> £000
Final proposed dividend on ordinary shares	-	1,364
Final proposed dividend on cumulative redeemable 3% preference shares	-	1,352
	<u>-</u>	<u>2,716</u>

The dividend on the cumulative redeemable preference shares has been waived by Umbro International Limited.

### 4 DIRECTORS' EMOLUMENTS

	<u>2000</u> £000	<u>1999</u> £000
Emoluments	<u>Nil</u>	<u>Nil</u>

**UMBRO LICENSING LIMITED**

**NOTES TO THE ACCOUNTS - 31 DECEMBER 2000 (Continued)**

**5 TAXATION**

	<u>2000</u> £000	<u>1999</u> £000
The taxation charge comprises:		
UK corporation tax for the period at 30%	1,436	1,328
Overseas tax	257	172
Double tax relief	(257)	(172)
	<u>1,436</u>	<u>1,328</u>
Tax overprovided in previous years:		
UK corporation tax	(36)	-
	<u>1,400</u>	<u>1,328</u>

**6 INTANGIBLE FIXED ASSETS**

	<u>2000</u> £000	<u>1999</u> £000
Trademarks, licences and goodwill:		
Cost or valuation at 31 December 1999	65,000	65,000
Amortisation	(3,250)	-
Cost or valuation at 31 December 2000	<u>61,750</u>	<u>65,000</u>

**7 DEBTORS**

	<u>2000</u> £000	<u>1999</u> £000
Amounts due to immediate parent company	3,650	262
	<u>3,650</u>	<u>262</u>

**UMBRO LICENSING LIMITED**

**NOTES TO THE ACCOUNTS - 31 DECEMBER 2000 (Continued)**

**8 SHARE CAPITAL**

	2000 <u>Number</u>	2000 <u>£</u>	1999 <u>Number</u>	1999 <u>£</u>
Authorised:				
Ordinary shares of £1 each - equity	100	100	100	100
Cumulative redeemable 3% preference shares of £1 each	65,000,000	65,000,000	65,000,000	65,000,000
	<u>65,000,100</u>	<u>65,000,100</u>	<u>65,000,100</u>	<u>65,000,100</u>
Allotted, called up and fully paid:				
Ordinary shares of £1 each - equity	2	2	2	2
Cumulative redeemable 3% preference shares of £1 each	65,000,000	65,000,000	65,000,000	65,000,000
	<u>65,000,002</u>	<u>65,000,002</u>	<u>65,000,002</u>	<u>65,000,002</u>

The preference shares are redeemable at any time at par at the option of the company and must be redeemed before the end of March 2019.

The preference shares are non-voting and rank in priority for dividends and on amounts receivable on winding up of the company.

**9 RESERVES**

	<u>Profit and Loss</u> <u>£000</u>
At 1 January 2000	262
Profit for the financial year	138
	<u>400</u>
At 31 December 2000	<u>400</u>

**UMBRO LICENSING LIMITED****NOTES TO THE ACCOUNTS - 31 DECEMBER 2000 (Continued)****10 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**

	<u>2000</u> £000	<u>2000</u> £000	<u>1999</u> £000	<u>1999</u> £000
	Non Equity	Equity	Non Equity	Equity
Opening shareholders funds	65,000	262	-	-
Issue of share capital	-	-	65,000	-
Profit for the financial period	-	138	-	262
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholders funds	65,000	400	65,000	262
	<hr/>	<hr/>	<hr/>	<hr/>

**11 RELATED PARTIES**

The company has taken advantage of its exemption under Financial Reporting Standard Number 8 for reporting related parties within the Umbro Holdings Limited Group.

**12 ULTIMATE HOLDING COMPANY AND CONTROLLING PARTY**

The immediate parent company is Umbro International Limited, whose registered office is Umbro House, Lakeside, Cheadle, Cheshire, SK8 3GQ.

The ultimate holding company and controlling parent company is Umbro Holdings Limited, whose registered office is Umbro House, Lakeside, Cheadle, Cheshire, SK8 3GQ.

The ultimate controlling party is Doughty Hanson & Co, which is the majority shareholder of Umbro Holdings Limited.

The consolidated financial statements of Umbro Holdings Limited are available from Companies House.

**13 FINANCIAL GUARANTEES**

The company is a party to the bank facility agreement with Umbro Holdings Limited and its assets are secured by debenture at the bank.