

Registered Number 04090218

BMB Group Limited
Annual report and financial statements
for the year ended 28 January 2012

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BMB Group Limited

Annual report and financial statements for the year ended 28 January 2012

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Directors' report for the year ended 28 January 2012

The directors present their annual report and the audited financial statements of the company for the year ended 28 January 2012

Principal activities and review of the business

The principal activity of the company is the holding of investments in the trading companies of BMB Clothing Limited and Addison & Steele Tailoring Limited. These investments comprise of 100% of the issued share capital. The value of the investment carried in the balance sheet is £44,000 (2011 £44,000) and in the directors' opinion the investments are not worth less than the amounts stated above. The balance sheet is set out on page 6.

The loss for the year was £169,000 (2011 £3,294,000). The profit and loss account is set out on page 5.

Turnover for the financial year was £1,002,000 (2011 £1,483,000), this includes management charges to subsidiaries of £703,000 (2011 £1,217,000) and management charges to external entities of £296,000 (2011 £321,000).

In the prior financial year, exceptional restructuring costs of £2,685,000 were incurred as a fellow group company, Speciality Retail Group Limited ('SRG') was sold and subsequently entered administration. Full details of this transaction were disclosed in the directors' report of Baird Group (Holdings) Limited. The company sold services to SRG and had a significant associated debtor, which it was unable to recover.

The principle risks and uncertainties are included in the consolidated group accounts of Baird Group (Holdings) Limited.

Future developments

The loss for the financial year was £169,000 (2011 £3,294,000). The directors consider that the year end financial position was satisfactory given the activity of the company, and the value of the investments is supported by their future trading plans.

Key performance indicators (KPIs)

KPIs are derived from the underlying performance of the investments held by the company.

Directors

The directors that held office during the year and up to the date of signing the financial statements are given below:

Peter Lucas
Mark Cotter
Richard Paul (resigned 27 July 2011)
Mohamed Khalifa (appointed 18 July 2012)
Moustafa ELMorsy (appointed 18 July 2012)
Hala Hashem (appointed 18 July 2012)

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act. The indemnity was in force throughout the last financial year and is currently in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

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Directors' report for the year ended 28 January 2012 (continued)

Statement of directors' responsibilities

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 the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 judgements and accounting 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 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.

The directors believe that preparing the accounts on the going concern basis is appropriate due to the continued financial support of the ultimate parent company Al Arafa for Investments and Consultancies SAE. The directors have received written confirmation that Al Arafa for Investments and Consultancies SAE intend to support the company for at least one year after these financial statements are signed.

Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware and the directors 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 the company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

On behalf of the Board

M Cotter
Director

29 August 2012

BMB Group Limited

Independent auditors' report to the members of BMB Group Limited

We have audited the financial statements of BMB Group Limited for the year ended 28 January 2012 which comprise the profit and loss account, the balance sheet, the accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out on page 1, 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 29 January 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom 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.

BMB Group Limited

Independent auditors' report to the members of BMB 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



Ian Morrison (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

29 August 2012

BMB Group Limited

Profit and loss account for the year ended 28 January 2012

| | | Year ended 28 January 2012 | Year ended 29 January 2011 |
|--|------|----------------------------------|----------------------------------|
| | Note | Total £'000 | Total £'000 |
| Turnover | | | |
| Continued operations | | 1,002 | 1,483 |
| Discontinued operations | | - | 55 |
| | | 1,002 | 1,538 |
| Administrative expenses | | (1,171) | (1,798) |
| Operating loss | | | |
| Continued operations | | (169) | (315) |
| Discontinued operations | | - | 55 |
| | 1 | (169) | (260) |
| Restructuring costs | 5 | - | (2,685) |
| Interest payable and similar charges | 4 | - | (1) |
| Loss on ordinary activities before taxation | | (169) | (2 946) |
| Tax on loss on ordinary activities | 6 | - | (348) |
| Loss for the financial year | 11 | (169) | (3 294) |

The company has no recognised gains and losses other than the losses above and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial years stated above and their historical cost equivalents

BMB Group Limited

Balance sheet as at 28 January 2012

| | Note | 29 January 2012 £'000 | 29 January 2011 £'000 |
|--|------|-----------------------------|-----------------------------|
| Fixed assets | | | |
| Investments | 7 | 44 | 44 |
| | | 44 | 44 |
| Current assets | | | |
| Debtors | 8 | 242 | 278 |
| Cash at bank and in hand | | 88 | 477 |
| | | 330 | 755 |
| Creditors - amounts falling due within one year | 9 | (3,394) | (3,650) |
| Net current liabilities | | (3,064) | (2,895) |
| Total assets less current liabilities | | (3,020) | (2,851) |
| Net liabilities | | (3,020) | (2,851) |
| Capital and reserves | | | |
| Called up share capital | 10 | 1 | 1 |
| Profit and loss account | 11 | (3,021) | (2 852) |
| Total shareholders' deficit | 12 | (3,020) | (2 851) |

The financial statements on pages 7 to 18 were approved by the board of directors on 29 August 2012 and were signed on its behalf by

M Cotter
Director

BMB Group Limited
Registered Number 04090218

BMB Group Limited

Accounting policies

Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going concern

These financial statements have been prepared on the going concern basis which assumes that the company will continue in operation for the foreseeable future. The validity of this assumption depends on support from the ultimate parent company, Al Arafa for Investments and Consultancies SAE, who have confirmed to the directors that they will continue to provide financial support. As a result, the directors consider it appropriate for the financial statements to be prepared on the going concern basis.

Cash flow statement

The company is a wholly owned subsidiary of Baird Group (Holdings) Limited, an intermediate parent company, and is included in the consolidated financial statements of Baird Group (Holdings) Limited, which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1 (revised 1996).

Investments in subsidiary undertakings

The cost of investments in subsidiary undertakings is recorded as cash paid and any further costs connected with the acquisition. Provision is made where necessary to reduce the carrying value of an investment to its estimated recoverable amount where in the opinion of the directors there has been impairment.

Borrowings

All borrowings are initially stated at the fair value of the consideration received after deduction of issue costs. Issue costs together with finance costs are charged to the profit and loss account on a straight line basis over the term of the borrowings.

Taxation and deferred taxation

The charge for taxation is based on the results for the financial year. In accordance with FRS 19, deferred taxation has been recognised as a liability or asset if transactions have occurred by the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

BMB Group Limited

Accounting policies (continued)

Turnover

Turnover comprises recharge income for management services from fellow group companies in the UK

Consolidation

The company is a wholly owned subsidiary of Baird Group (Holdings) Limited, a company registered in England and Wales, and thus under section 400 of the Companies Act 2006 is exempt from producing consolidated financial statements

BMB Group Limited

Notes to the financial statements for the year ended 28 January 2012

1 Operating loss

| | Year ended 28 January 2012 £'000 | Year ended 29 January 2011 £'000 |
|---|---|---|
| Operating loss is stated after charging: | | |
| Services provided by the company's auditor | | |
| - fees payable for the audit | 2 | 14 |
| - fees payable for other services – tax | 1 | 10 |

2 Directors' emoluments

| | Year ended 29 January 2012 £'000 | Year ended 29 January 2011 £'000 |
|---|---|---|
| Aggregate emoluments | 475 | 1,023 |
| Company contributions to money purchase pension schemes | 68 | 34 |
| | 543 | 1,057 |

Retirement benefits are accruing to nil (2011: one) director under a defined benefit pension scheme. One director (2011: two) has retirement benefits accruing under a money purchase pension scheme.

| Highest paid director | Year ended 29 January 2012 £'000 | Year ended 29 January 2011 £'000 |
|-----------------------|---|---|
| Aggregate emoluments | 543 | 565 |

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Notes to the financial statements for the year ended 28 January 2012 (continued)

3 Employee costs

| | Year ended 28 January 2012 £'000 | Year ended 29 January 2011 £'000 |
|-----------------------|--|--|
| Wages and salaries | 672 | 1,220 |
| Social security costs | 227 | 271 |
| Other pensions costs | 112 | 115 |
| | 1,011 | 1,606 |

The average monthly number of persons (including executive directors) employed by the group and company during the year was

| By activity | Year ended 28 January 2012 Number | Year ended 29 January 2011 Number |
|----------------|---|---|
| Administration | 3 | 6 |

Defined contribution scheme

A stakeholder pension scheme exists for all employees. The total contributions paid into the scheme in the financial year ended 28 January 2012 was £112,000 (2011: £116,000). The amount outstanding at 28 January 2012 was £9,000 (2011: £9,000).

4 Interest payable and similar charges

| | Year ended 28 January 2012 £'000 | Year ended 29 January 2011 £'000 |
|-----------------------|--|--|
| Bank interest payable | - | 1 |

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Notes to the financial statements for the year ended 28 January 2012 (continued)

5 Exceptional items

| | Year ended 28 January 2012 £'000 | Year ended 29 January 2011 £'000 |
|---------------------|---|---|
| Restructuring costs | - | 2,685 |

No exceptional items were charged in the financial year

In the prior financial year, a fellow group company, Speciality Retail Group Limited ('SRG') was sold and subsequently entered administration. Full details of this transaction were disclosed in the directors' report of Baird Group (Holdings) Limited. The company sold services to SRG and had a significant associated debtor, which it was unable to recover (£2,685,000).

6 Tax on loss on ordinary activities

The taxation charge based on the profit before tax comprises

| | Year ended 28 January 2012 £'000 | Year ended 29 January 2011 £'000 |
|---|---|---|
| Current tax | | |
| Total current tax | - | - |
| Deferred tax: | | |
| Accelerated capital allowances and other timing differences | - | (348) |
| Tax charge on loss on ordinary activities | - | (348) |

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Notes to the financial statements for the year ended 28 January 2012 (continued)

6 Tax on loss on ordinary activities (continued)

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 26.3% (2011 28%). The differences are explained below

| | Year ended 28 January 2012 £'000 | Year ended 29 January 2011 £'000 |
|---|---|---|
| Loss on ordinary activities before tax | (169) | (2,946) |
| Loss on ordinary activities multiplied by the standard rate in the UK 26.3% (2011 28%) | (44) | (825) |
| Effects of | | |
| Expenses not deductible for tax purposes | 12 | 766 |
| Rate change adjustment | 2 | - |
| Accelerated capital allowances and other timing differences | - | (321) |
| Deferred tax not recognised | 30 | 380 |
| Current tax for the year | - | - |

A number of changes to the UK Corporation tax system were announced in the June 2010 budget statement. The Finance Act (No 2) 2010 included legislation which reduced the main rate of corporation tax from 27% to 26% from 1 April 2011.

During the year, as a result of the change in the UK corporation tax rate to 25% that was substantively enacted on 5 July 2011 and that will be effective from 1 April 2012, the relevant deferred tax balances have been re-measured. The effects of these changes are included within these financial statements.

Further reductions to the UK corporation tax rate were announced in the March 2012 budget. The changes, which are expected to be enacted separately each year, propose to reduce the main rate to 22% by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. The company did not recognise deferred income tax assets of £31,000 (2011 £nil) in respect of losses that can be carried forward against future taxable income.

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Notes to the financial statements for the year ended 28 January 2012 (continued)

7 Investments

Fixed asset investments

Investments represent the cost of investments in subsidiary companies as follows

| | Shares in group Undertakings £'000 |
|---|--|
| At 29 January 2011 and at 28 January 2012 | 44 |

| Name of undertaking | Country of incorporation and operation | Principal activity | Proportion of ordinary issued shares held |
|---|--|---------------------------------------|---|
| Shares in group undertakings: | | | Company % |
| BMB Clothing Limited | England and Wales | Concession retailer and wholesaler | 100% |
| Addison & Steele Tailoring Limited | England and Wales | Visiting tailor | 100% |
| Racing Green Apparel Limited (formerly BMB Retail Limited) | England and Wales | Dormant | 100% |
| Melka Trading Limited | England and Wales | Wholesaler | 10% |
| Alexandre London Inc | USA | Concession retailer | - |
| Worth Valley Menswear Limited | England and Wales | Dormant | - |
| Alexandre of England 1988 Limited | England and Wales | Dormant | - |

The directors believe that the carrying value of the investments are supported by their future trading plans

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Notes to the financial statements for the year ended 28 January 2012 (continued)

8 Debtors

| | 28 January 2012 £'000 | 29 January 2011 £'000 |
|-------------------------------------|-----------------------------|-----------------------------|
| Amounts falling due within one year | | |
| Other debtors | 242 | 278 |

9 Creditors - amounts falling due within one year

| | 28 January 2012 £'000 | 29 January 2011 £'000 |
|------------------------------------|-----------------------------|-----------------------------|
| Amounts owed to group undertakings | 3,305 | 3,556 |
| Taxation and social security | 66 | 68 |
| Accruals and deferred income | 23 | 26 |
| | 3,394 | 3 650 |

Amounts owed to group undertakings are interest free, unsecured and have no fixed date of repayment

BMB Group Limited

Notes to the financial statements for the year ended 28 January 2012 (continued)

10 Called up share capital

| | 28 January 2012 Number | 28 January 2012 £ | 29 January 2011 Number | 29 January 2011 £ |
|---|------------------------------|-------------------------|------------------------------|-------------------------|
| Authorised | | | | |
| A ordinary shares of 1p each | 45,120 | 451 | 45,120 | 451 |
| B ordinary shares of 1p each | 54,880 | 549 | 54,880 | 549 |
| Unclassified shares of 1p each | 12,000 | 120 | 12,000 | 120 |
| | 112,000 | 1,120 | 112,000 | 1,120 |
| Allotted, called up and fully paid | | | | |
| A ordinary shares of 1p each | 33,187 | 332 | 33,187 | |
| B ordinary shares of 1p each | 49,743 | 497 | 49,743 | |
| | 82,930 | 829 | 82,930 | 829 |

Both classes of shares rank pari passu in all respects except that the holders of A shares have the pre-emption right to purchase any other shares in the company that the holder thereof may wish to dispose of. Shares disposed of by a holder of A shares are subsequently converted to B shares.

11 Reserves

| | Profit and loss account £'000 |
|-----------------------------|-------------------------------------|
| At 30 January 2011 | (2,852) |
| Loss for the financial year | (169) |
| At 28 January 2012 | (3,021) |

BMB Group Limited

Notes to the financial statements for the year ended 28 January 2012 (continued)

12 Reconciliation of movements in shareholders' deficit

| | 28 January 2012 £'000 | 29 January 2011 £'000 |
|---|-----------------------------|-----------------------------|
| Loss for the financial year | (169) | (3,294) |
| Net movement in shareholders' (deficit)/funds | (169) | (3,294) |
| Opening shareholders' (deficit)/funds | (2,851) | 443 |
| Closing shareholders' deficit | (3,020) | (2,851) |

13 Related party transactions

The company is exempt under the terms of FRS8 from disclosing related party transactions with entities that are part of the Baird Group (Holdings) Limited. Details of related party transactions are disclosed in the financial statements of Baird Group (Holdings) Limited.

14 Contingent liabilities

At 28 January 2012 the company had nil contingent liabilities (29 January 2011: £nil).

The company is a participant in a group banking arrangement and has given cross-guarantees which created fixed and floating charges over all the assets of the company. As at 28 January 2012 the maximum liability under this arrangement was £8,406,000 (29 January 2011: £13,222,000).

15 Ultimate parent undertaking

The immediate parent undertaking is Baird Group (Holdings) Limited, a company incorporated in England and Wales. Baird Group (Holdings) Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Baird Group (Holdings) Limited can be obtained from the company secretary at Granary Building, 1 Canal Wharf, Leeds, LS11 5BB.

At 28 January 2012, the ultimate parent company, which is also the parent for the largest group of undertakings for which the group financial statements are drawn up for and of which the company is a member, was Al Arafa for Investments and Consultancies SAE, a company incorporated in Egypt.

Copies of the group financial statements may be obtained from Al Arafa for Investments and Consultancies SAE, c/o Swiss Garment Company, 10th Ramadan City, 3rd Industrial Zone A1, Egypt.