



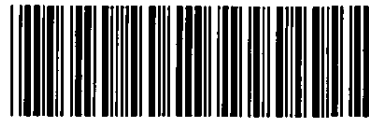
Grant Thornton

# Financial statements Pantherella Limited

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For the Year Ended 30 June 2008

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COMPANIES HOUSE

Company No. 4136274

## Officers and professional advisers

|                                    |   |
|------------------------------------|---|
| <b>Company registration number</b> | 4136274   |
| <b>Registered office</b>           | 57 Coventry Road<br>Hinckley<br>Leicestershire<br>LE10 OJX  |
| <b>Directors</b>                   | N P T Hall<br>Mrs K F Hall  |
| <b>Secretary</b>                   | Mrs K F Hall  |
| <b>Bankers</b>                     | Bank of Scotland<br>8 Humberstone Gate<br>Leicester<br>LE1 3PH  |
| <b>Auditor</b>                     | Grant Thornton UK LLP<br>Chartered Accountants<br>Registered Auditors<br>Regent House<br>80 Regent Road<br>Leicester<br>LE1 7NH |

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## Report of the directors

The directors present their report and the financial statements of the company for the year ended 30 June 2008.

### **Principal activities**

The company is principally engaged in the manufacture and distribution of hosiery.

### **Directors**

The directors who served the company during the year were as follows:

N P T Hall  
Mrs K F Hall

### **Directors' responsibilities**

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 that 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 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

**Auditor**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

**Small company provisions**

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

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'K F Hall', written in a cursive style.

Mrs K F Hall  
Secretary  
22 December 2008



## Report of the independent auditor to the members of Pantherella Limited

We have audited the financial statements of Pantherella Limited for the year ended 30 June 2008 which comprise the principal accounting policies, profit and loss account, balance sheet and notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

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 auditor's 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 auditor**

The directors' responsibilities for preparing the Report of the Directors and the financial statements in accordance with United Kingdom law and 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 on Auditing (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 Report of the Directors 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 explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Report of the Directors 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.

## Report of the independent auditor to the members of Pantherella Limited (continued)

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 company's affairs as at 30 June 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.



GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS

LEICESTER  
22 December 2008

## Principal accounting policies

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable UK accounting standards.

The principal accounting policies of the company are set out below. The policies have remained unchanged from the previous year.

### **Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

### **Turnover**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

|          |   |                          |
|----------|---|--------------------------|
| Goodwill | - | Written off over 5 years |
|----------|---|--------------------------|

### **Fixed assets**

All fixed assets are initially stated at cost, net of any depreciation and any provision for impairment.

### **Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

|                     |   |                            |
|---------------------|---|----------------------------|
| Plant & Machinery   | - | 25% reducing balance basis |
| Fixtures & Fittings | - | 25% reducing balance basis |
| Motor Vehicles      | - | 25% reducing balance basis |

### **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost includes materials, direct labour and an attributable proportion of manufacturing overheads based on normal levels of activity.

### **Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.



### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

### **Pension costs**

#### **Defined contribution pension scheme**

The pension costs charged against operating profits are the contributions payable to the scheme in respect of the accounting period.

#### **Defined benefit pension scheme**

The company is party to a group defined benefit pension scheme.

The company is unable to identify its share of the underlying assets and liabilities in the scheme and under FRS 17 the scheme is therefore regarded as a defined contribution scheme whereby the pension costs charged against operating profit are the contributions payable to the scheme in respect of the accounting period.

The scheme is closed to new entrants and all benefits have ceased to accrue with effect from 30 June 2002.

### **Deferred taxation**

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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

### **Foreign currencies**

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

## Profit and loss account

|   | Note | 2008<br>£        | 2007<br>£        |
|---|------|------------------|------------------|
| Turnover                                    | 1    | 3,938,926        | 4,369,470        |
| Cost of sales                               |      | <u>2,106,681</u> | <u>2,408,082</u> |
| Gross profit                                |      | 1,832,245        | 1,961,388        |
| Other operating charges                     | 2    | <u>1,963,376</u> | <u>2,069,517</u> |
| Operating loss                              | 3    | (131,131)        | (108,129)        |
| Interest receivable                         |      | 12,260           | 13,264           |
| Interest payable and similar charges        | 5    | <u>(19,112)</u>  | <u>(10,633)</u>  |
| Loss on ordinary activities before taxation |      | (137,983)        | (105,498)        |
| Tax on loss on ordinary activities          | 6    | (18,496)         | (23,000)         |
| Loss for the financial year                 | 19   | <u>(119,487)</u> | <u>(82,498)</u>  |

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

## Balance sheet

|  | Note | 2008<br>£        | 2007<br>£        |
|--|------|------------------|------------------|
| <b>Fixed assets</b>  |      |                  |                  |
| Intangible assets  | 7    | 114,441          | 159,716          |
| Tangible assets  | 8    | 258,881          | 300,480          |
|  |      | <u>373,322</u>   | <u>460,196</u>   |
| <b>Current assets</b>  |      |                  |                  |
| Stocks   | 9    | 1,614,525        | 1,430,069        |
| Debtors  | 10   | 726,498          | 666,260          |
| Cash at bank   |      | 187,272          | 97,766           |
|  |      | <u>2,528,295</u> | <u>2,194,095</u> |
| <b>Creditors: amounts falling due within one year</b>          | 11   | 386,220          | 536,996          |
| <b>Net current assets</b>                                      |      | <u>2,142,075</u> | <u>1,657,099</u> |
| <b>Total assets less current liabilities</b>                   |      | <u>2,515,397</u> | <u>2,117,295</u> |
| <b>Creditors: amounts falling due after more than one year</b> | 12   | 959,589          | 442,000          |
|  |      | <u>1,555,808</u> | <u>1,675,295</u> |
| <b>Capital and reserves</b>                                    |      |                  |                  |
| Called-up equity share capital                                 | 17   | 100,000          | 100,000          |
| Share premium account  | 18   | 1,177,261        | 1,177,261        |
| Profit and loss account  | 19   | 278,547          | 398,034          |
| <b>Shareholders' funds</b>                                     | 20   | <u>1,555,808</u> | <u>1,675,295</u> |

These financial statements were approved by the directors and authorised for issue on 22 December 2008, and are signed on their behalf by:

N P T Hall

Mrs K F Hall

## Notes to the financial statements

### 1 Turnover

The turnover and loss before tax are attributable to the one principal activity of the company.  
An analysis of turnover is given below:

|                 | 2008<br>£        | 2007<br>£        |
|-----------------|------------------|------------------|
| United Kingdom  | 1,684,619        | 1,642,087        |
| Exports - EU    | 435,461          | 531,796          |
| Exports - other | 1,818,846        | 2,195,587        |
|                 | <u>3,938,926</u> | <u>4,369,470</u> |

### 2 Other operating charges

|                         | 2008<br>£        | 2007<br>£        |
|-------------------------|------------------|------------------|
| Administrative expenses | <u>1,963,376</u> | <u>2,069,517</u> |

### 3 Operating loss

Operating loss is stated after charging/(crediting):

|   | 2008<br>£      | 2007<br>£    |
|---|----------------|--------------|
| Amortisation                                      | 36,364         | 39,929       |
| Depreciation of owned fixed assets                | 78,362         | 59,759       |
| Loss/(profit) on disposal of fixed assets         | 5,931          | (3,170)      |
| Auditor's remuneration:                           |                |              |
| Audit fees  | 8,000          | 7,750        |
| Operating lease costs:                            |                |              |
| Other   | 79,330         | 79,870       |
| Net (profit)/loss on foreign currency translation | <u>(7,808)</u> | <u>7,443</u> |

**4 Particulars of employees**

The average number of staff employed by the company during the financial year amounted to:

|           | 2008       | 2007       |
|-----------|------------|------------|
|           | No         | No         |
| Employees | <u>119</u> | <u>120</u> |

The aggregate payroll costs of the above were:

|                       | 2008             | 2007             |
|-----------------------|------------------|------------------|
|                       | £                | £                |
| Wages and salaries    | 1,723,370        | 1,815,281        |
| Social security costs | 146,038          | 139,738          |
| Other pension costs   | 34,256           | 40,370           |
|                       | <u>1,903,664</u> | <u>1,995,389</u> |

No directors' remuneration was paid during the year (2007 - £Nil).

**5 Interest payable and similar charges**

|                                   | 2008          | 2007          |
|-----------------------------------|---------------|---------------|
|                                   | £             | £             |
| Interest payable to group company | <u>19,112</u> | <u>10,633</u> |

**6 Taxation on ordinary activities**

(a) Analysis of charge in the year

|   | 2008            | 2007            |
|---|-----------------|-----------------|
|   | £               | £               |
| Current tax:  |                 |                 |
| Group relief receivable based on the results for the year at 20% (2007 - 19%) | (17,500)        | (23,000)        |
| Adjustment in respect of prior period   | (996)           | -               |
| Total current tax   | <u>(18,496)</u> | <u>(23,000)</u> |

**6 Taxation on ordinary activities (continued)**

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 20% (2007 - 19%).

|   | 2008<br>£        | 2007<br>£        |
|---|------------------|------------------|
| Loss on ordinary activities before taxation                       | <u>(137,983)</u> | <u>(105,498)</u> |
| Loss on ordinary activities by rate of tax                        | (27,597)         | (20,045)         |
| Expenses not deductible for tax purposes                          | 7,718            | 8,010            |
| Difference between capital allowances for period and depreciation | 2,379            | (9,270)          |
| Utilisation of tax losses   | -                | (996)            |
| Adjustments to tax charge in respect of previous periods          | (996)            | -                |
| Other timing differences  | -                | (699)            |
| Total current tax (note 6(a))                                     | <u>(18,496)</u>  | <u>(23,000)</u>  |

(c) Factors that may affect future tax charges

At 30 June 2008 the company has unrelieved tax losses, not adjusted through the deferred tax account, amounting to approximately £24,000 (2007 - £14,000) available for relief against future taxable trading profits.

**7 Intangible fixed assets**

|                     | Goodwill<br>£  |
|---------------------|----------------|
| Cost                |                |
| At 1 July 2007      | 199,645        |
| Adjustment to cost  | (8,911)        |
| At 30 June 2008     | <u>190,734</u> |
| Amortisation        |                |
| At 1 July 2007      | 39,929         |
| Charge for the year | 36,364         |
| At 30 June 2008     | <u>76,293</u>  |
| Net book value      |                |
| At 30 June 2008     | <u>114,441</u> |
| At 30 June 2007     | <u>159,716</u> |

**8 Tangible fixed assets**

|                           | Plant &<br>Machinery<br>£ | Fixtures &<br>Fittings<br>£ | Motor<br>Vehicles<br>£ | Total<br>£     |
|---------------------------|---------------------------|-----------------------------|------------------------|----------------|
| Cost                      |                           |                             |                        |                |
| At 1 July 2007            | 794,451                   | 87,537                      | 50,177                 | 932,165        |
| Additions                 | 2,143                     | 18,176                      | 19,946                 | 40,265         |
| Disposals                 | (20,330)                  | –                           | (18,631)               | (38,961)       |
| Inter group transfers in  | 64,792                    | –                           | –                      | 64,792         |
| Inter group transfers out | (7,484)                   | –                           | –                      | (7,484)        |
| At 30 June 2008           | <u>833,572</u>            | <u>105,713</u>              | <u>51,492</u>          | <u>990,777</u> |
| Depreciation              |                           |                             |                        |                |
| At 1 July 2007            | 556,463                   | 50,370                      | 24,852                 | 631,685        |
| Charge for the year       | 58,406                    | 13,624                      | 6,332                  | 78,362         |
| On disposals              | (16,526)                  | –                           | (12,245)               | (28,771)       |
| Inter group transfers in  | 54,608                    | –                           | –                      | 54,608         |
| Inter group transfers out | (3,988)                   | –                           | –                      | (3,988)        |
| At 30 June 2008           | <u>648,963</u>            | <u>63,994</u>               | <u>18,939</u>          | <u>731,896</u> |
| Net book value            |                           |                             |                        |                |
| At 30 June 2008           | <u>184,609</u>            | <u>41,719</u>               | <u>32,553</u>          | <u>258,881</u> |
| At 30 June 2007           | <u>237,988</u>            | <u>37,167</u>               | <u>25,325</u>          | <u>300,480</u> |

**9 Stocks**

|                  | 2008<br>£        | 2007<br>£        |
|------------------|------------------|------------------|
| Raw materials    | 230,616          | 294,459          |
| Work in progress | 507,241          | 549,124          |
| Finished goods   | 876,668          | 586,486          |
|                  | <u>1,614,525</u> | <u>1,430,069</u> |

**10 Debtors**

|                                | 2008<br>£      | 2007<br>£      |
|--------------------------------|----------------|----------------|
| Trade debtors                  | 648,705        | 546,642        |
| Corporation tax repayable      | –              | 11,519         |
| Other debtors                  | 6,568          | 6,768          |
| Prepayments and accrued income | 71,225         | 101,331        |
|                                | <u>726,498</u> | <u>666,260</u> |

**11 Creditors: amounts falling due within one year**

|                                    | 2008           | 2007           |
|------------------------------------|----------------|----------------|
|                                    | £              | £              |
| Trade creditors                    | 167,716        | 223,158        |
| Amounts owed to group undertakings | 591            | 5,172          |
| Other taxation and social security | 70,370         | 68,689         |
| Other creditors                    | 22,462         | 6,548          |
| Accruals and deferred income       | 125,081        | 233,429        |
|                                    | <u>386,220</u> | <u>536,996</u> |

**12 Creditors: amounts falling due after more than one year**

|                                    | 2008           | 2007           |
|------------------------------------|----------------|----------------|
|                                    | £              | £              |
| Amounts owed to group undertakings | <u>959,589</u> | <u>442,000</u> |

**13 Pensions**

**Defined contribution scheme**

The company operates a defined contribution pension scheme for the benefit of certain employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The pension cost charge for the year amounted to £34,256 (2007 - £40,370). Contributions outstanding at 30 June 2008 amounted to £4,696 (2007 - £5,082).

**Defined benefit scheme**

The company is party to the H J Sock Group Limited (1978) Retirement and Death Benefit Scheme which is a funded defined benefit scheme. The scheme is closed to new entrants and all benefits have ceased to accrue with effect from 30 June 2002. The company is unable to identify its share of the underlying assets and liabilities in the scheme and under FRS 17 the scheme is regarded as a defined contribution scheme.

Details of the financial position of the scheme are given in the financial statements of H J Sock Group Limited, the company's parent undertaking.

**14 Deferred taxation**

The elements of deferred taxation, which result in a nil balance at the end of the year, are as follows:

|   | 2008     | 2007     |
|---|----------|----------|
|   | £        | £        |
| Excess of taxation allowances over depreciation on fixed assets | 11,800   | 9,600    |
| Tax losses available  | (11,100) | (9,100)  |
| Other timing differences  | (700)    | (500)    |
|   | <u>-</u> | <u>-</u> |



## 15 Commitments under operating leases

At 30 June 2008 the company had annual commitments under non-cancellable operating leases as set out below.

|                                | Land & buildings |               |
|--------------------------------|------------------|---------------|
|                                | 2008             | 2007          |
|                                | £                | £             |
| Operating leases which expire: |                  |               |
| Within 1 year                  | -                | 3,283         |
| Within 2 to 5 years            | 11,893           | -             |
| After more than 5 years        | 65,000           | 65,000        |
|                                | <u>76,893</u>    | <u>68,283</u> |

In addition until 30 April 2007 the company paid rent of £48,750 to H J Sock Group Limited, the parent undertaking, under an informal agreement.

## 16 Related party transactions

During the year the company sold goods for £4,728 (2007 - £12,157) to its parent company, H J Sock Group Limited. In addition the company was charged rent of £nil (2007 - £48,750), agents costs of £5,523 (2007 - £20,958) and loan interest of £19,112 (2007 - £10,633) by H J Sock Group Limited, its parent undertaking.

The company was charged rent of £nil (2007 - £5,417) by Perhow 8 Limited and £65,000 (2007 - £10,833) by Hallmark Properties (Leic) Limited, companies with the same directors as Pantherella Limited. At 30 June 2008 the company owed £16,250 (2007 - £nil) to Hallmark Properties (Leic) Limited.

## 17 Share capital

Authorised share capital:

|                                    | 2008           | 2007           |
|------------------------------------|----------------|----------------|
|                                    | £              | £              |
| 100,000 Ordinary shares of £1 each | <u>100,000</u> | <u>100,000</u> |

Allotted, called up and fully paid:

|                            | 2008           |                | 2007           |                |
|----------------------------|----------------|----------------|----------------|----------------|
|                            | No             | £              | No             | £              |
| Ordinary shares of £1 each | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> |

**18 Share premium account**

|                                      | 2008<br>£        | 2007<br>£        |
|--------------------------------------|------------------|------------------|
| Balance brought forward              | 1,177,261        | –                |
| Premium on shares issued in the year | –                | 1,177,261        |
| Balance carried forward              | <u>1,177,261</u> | <u>1,177,261</u> |

**19 Profit and loss account**

|                             | 2008<br>£      | 2007<br>£      |
|-----------------------------|----------------|----------------|
| Balance brought forward     | 398,034        | 480,532        |
| Loss for the financial year | (119,487)      | (82,498)       |
| Balance carried forward     | <u>278,547</u> | <u>398,034</u> |

**20 Reconciliation of movements in shareholders' funds**

|   | 2008<br>£        | 2007<br>£        |
|---|------------------|------------------|
| Loss for the financial year                     | (119,487)        | (82,498)         |
| New equity share capital subscribed             | –                | 99,000           |
| Premium on new share capital subscribed         | –                | 1,177,261        |
| Net (reduction)/addition to shareholders' funds | (119,487)        | 1,193,763        |
| Opening shareholders' funds                     | <u>1,675,295</u> | <u>481,532</u>   |
| Closing shareholders' funds                     | <u>1,555,808</u> | <u>1,675,295</u> |

**21 Controlling Related Party**

The ultimate parent undertaking of this company is H J Hall Limited.

H J Sock Group Limited is the company's controlling related party by virtue of its shareholding in the company. The ultimate controlling related party of the company is N P T Hall by virtue of his shareholding in H J Hall Limited.