

Crombie (Glasgow) Limited

Director's report and financial statements

31 March 2005

Registered number 4529259



Crombie (Glasgow) Limited

Director's report and financial statements

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Crombie (Glasgow) Limited

Director's report

The director submits its annual report together with the audited financial statements of the company for the year ended 31 March 2005.

Principal activities

The main activity of the company is that of retailing high quality menswear and ladieswear under the Crombie brand name.

Business review

The company started trading on 12 January 2005. The results for the year are set out on page 5.

Proposed dividend

The directors do not recommend the payment of a dividend.

Director and director's interests

The director who held office during the year was as follows:

I.M. Directors Limited

No contracts between the company and its director existed at any time during the year under review.

The director had no disclosable interests in the shares of the company or other group undertakings.

Charitable and political donations

The company made no political contributions or charitable donations during the year.

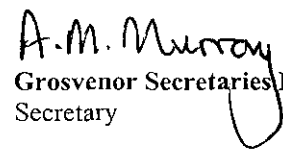
Environmental policy

The company aims to adopt environmentally responsible practices throughout its operations.

Auditors

The company has appointed Horwath Clark Whitehill LLP as first auditors. In accordance with section 385 of the Companies Act 1985, a resolution for the re-appointment of Horwath Clark Whitehill LLP as auditors of the company is to be proposed at the Annual General Meeting.

By Order of the Board


Grosvenor Secretaries Limited
Secretary

PO Box 506
98 Kirkstall Road
Leeds
LS3 1YN

20 January 2006

Crombie (Glasgow) Limited

Statement of director's responsibilities for the financial statements

Company law in the United Kingdom requires the director to prepare financial statements 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 the year then ended. In preparing these financial statements, the director is required to:

- select suitable accounting policies as described on page 7 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 departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable it to ensure that the financial statements comply with the Companies Act 1985. It is also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report to the members of Crombie (Glasgow) Limited

We have audited the financial statements on pages 5 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

This report is made solely to the members of the company, 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 shareholders of the company 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 nor assume responsibility to anyone other than the company and the shareholders of the company as a body, for our audit work, nor for the opinion formed.

Respective responsibilities of the director and the auditors

The director's responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards are set out in the statement of director's responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 director's 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 with the company is not disclosed.

We read the director's report, and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 director 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.

Independent auditors' report to the members of Crombie (Glasgow) Limited *(continued)*

Going concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 2 of the financial statements concerning the statement that the accounts have not been prepared on the going concern basis. In view of the significance of this event we consider it necessary that it should be drawn to your attention but our opinion is not qualified in this respect.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2005 and of the loss of the company for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Arkwright House
Parsonage Gardens
Manchester
M3 2HP

23 January 2006

Horwath Clark Whitehill LLP

Horwath Clark Whitehill LLP
Chartered Accountants & Registered Auditors

Crombie (Glasgow) Limited

Profit and loss account *for the year ended 31 March 2005*

	Note	2005 £	2004 £
Turnover	1	85,972	-
Cost of sales		(53,973)	-
Gross profit		31,999	-
Selling costs		(75,865)	-
Loss on ordinary activities before taxation - retained	3,9	(43,866)	-

Movements in shareholders' funds are set out in note 9

There were no recognised gains or losses other than those reflected above.

All profits and losses relate to the continuing activity of the company.

Crombie (Glasgow) Limited

Balance sheet

31 March 2005

	Note	2005 £	2004 £
Current assets			
Cash at bank and in hand		1	1
Creditors: amounts falling due within one year	6	(43,866)	-
Net current (liabilities) / assets		<u>(43,865)</u>	<u>1</u>
Capital and reserves			
Called up equity share capital	8	1	1
Profit and loss account	9	(43,866)	-
Shareholders' funds - equity		<u>(43,865)</u>	<u>1</u>

These financial statements were approved by the Board of Directors on 20 January 2006 and were signed on its behalf by:

A.M. Murray
For and on behalf of
I.M. Directors Limited
Director

Crombie (Glasgow) Limited

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 accounting

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

Cash flow statement

Under Financial Reporting Standard 1 (Revised 1996) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax.

Leases

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a 'finance lease'. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life or the term of the lease, whichever is the shorter. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account, and the capital element which reduces the outstanding obligation for future instalments.

All other leases are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

2 Basis of preparation of financial statements

The directors have considered the ability of the company to continue as a going concern. The majority of the external finance for the company has been provided by inter-group balances. As it is not known if group finance will continue to be provided, the accounts have not been prepared on a going concern basis, and assets are stated at their net realisable value.

3 Loss on ordinary activities before taxation

	2005	2004
	£	£
Loss on ordinary activities before taxation includes:		
Operating lease rentals – short leasehold property	44,611	-

Crombie (Glasgow) Limited

Notes (continued)

4 Staff numbers and costs and remunerations of directors

The company does not have any employees (2004: nil).

The director does not receive any emoluments in respect of its services to the company.

5 Tax reconciliation

The tax assessed for the year is higher than the standard rate of corporation tax in the UK of 30% (2004 : 30%). The differences are explained as follows:

	2005 £	2004 £
Loss on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 30%	(13,160)	-
Effect of:		
Group relief not accounted for	13,160	-
	<hr/>	<hr/>
Current tax charge for the year	-	-
	<hr/>	<hr/>

6 Creditors: amounts falling due within one year

	2005 £	2004 £
Amounts owed to fellow subsidiary undertakings	43,866	-
	<hr/>	<hr/>

7 Operating lease commitments

	2005 £	2004 £
Annual commitments under operating leases are as follows:		
Leasehold property expiring within five years	220,000	-
	<hr/>	<hr/>

8 Called up equity share capital

	2005 £	2004 £
<i>Authorised</i>		
5,000 ordinary shares of £1 each	5,000	5,000
	<hr/>	<hr/>
Allotted, called up and fully paid 1 ordinary share of £1 each	1	1
	<hr/>	<hr/>

Crombie (Glasgow) Limited

Notes (continued)

9 Shareholders' funds

	Share capital £	Profit and loss account £	Shareholders' funds £
At 1 April 2004	1	-	1
Loss for the financial year	-	(43,866)	(43,866)
	<hr/>	<hr/>	<hr/>
At 31 March 2005	1	(43,866)	(43,865)
	<hr/>	<hr/>	<hr/>

10 Ultimate parent company, parent company and transactions with related parties

Hartley Investment Trust Limited, which is incorporated in Great Britain and registered in England and Wales, is the ultimate parent undertaking of Crombie (Glasgow) Limited. It is also the parent undertaking of the only group of undertakings for which group financial statements are drawn up and of which Crombie (Glasgow) Limited is a member.

The financial statements of Hartley Investment Trust Limited will be filed with the Registrar of Companies.

As a wholly owned subsidiary of J & J Crombie Limited, the company is exempt from the requirements of FRS8 to disclose transactions with other members of the group headed by Hartley Investment Trust Limited, on the grounds that group accounts are publicly available from Companies House.