

**ANTLER HOLDINGS LIMITED**

**Report and Financial Statements**

**31 December 2005**



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COMPANIES HOUSE

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS**

P Bridge  
R J Woodcock  
G R Capell  
P Laughton  
N M Elstob  
A E Wellenreiter

**SECRETARY**

R J Woodcock

**REGISTERED OFFICE**

Pilot Works  
Alfred Street  
Bury  
Lancashire  
BL9 9EF

**BANKERS**

Bank of Scotland  
123 St Vincent Street  
Glasgow  
G2 5EA

**SOLICITORS**

Addleshaw Goddard  
100 Barbirolli Square  
Manchester  
M2 3AB

**AUDITORS**

Deloitte & Touche LLP  
Manchester

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2005.

## ACTIVITIES

The principal activity of the group is distributing luggage and travel goods. The principal activity of the company is that of a holding company.

## REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The results of the group for the year are shown on page 6.

The directors are satisfied with the group result and anticipate that the group will continue to trade satisfactorily during the ensuing year.

## DIVIDENDS AND TRANSFERS FROM RESERVES

The directors do not recommend the payment of a dividend (2004: £nil). The retained consolidated loss of £222,000 (2004 - £152,000) has been withdrawn from consolidated reserves.

## DIRECTORS AND THEIR INTERESTS

The directors of the company who served during the year and thereafter are set out below:

P Bridge  
R J Woodcock  
G R Capell  
P Laughton  
N M Elstub  
A E Welleneiter

The directors' interests in the share capital of the company at 31 December 2005 and 31 December 2004 are shown below:

	Ordinary 'A' shares of £1 each	
	No.	No.
	31 December 2005	31 December 2004
P Bridge	4,500	4,500
R J Woodcock	4,500	4,500
G R Capell	600	600
P Laughton	4,500	4,500
N M Elstub	-	-
A E Welleneiter	-	-

No share options in Antler Holdings Limited were held at either 31 December 2005 or 31 December 2004.

## EMPLOYEE CONSULTATION

The group places considerable value on the involvement of its employees and commits itself to maintaining regular contact and exchange of information on matters affecting the performance of the group through the directors. This is achieved through regular communication.

## DISABLED EMPLOYEES

The group has an established policy of encouraging the employment of disabled persons wherever this is practical. Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. The group endeavours to ensure that disabled employees benefit from training and career development programmes in common with all employees.

**DIRECTORS' REPORT (continued)**

**CHARITABLE CONTRIBUTIONS**

During the year, the group made no charitable or political donations (2004: same).

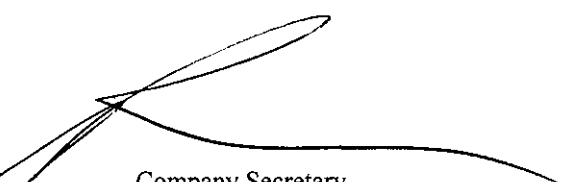
**DIRECTORS' AND OFFICERS' LIABILITY**

Directors' and officers' liability insurance has been purchased by the company during the year.

**AUDITORS**

A resolution to reappoint Deloitte & Touche LLP will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed by order of the Board



Company Secretary

27 April 2006

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and the company as at the end of the financial year and of the profit or loss of the group for that period. In preparing those 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;
- state whether applicable accounting standards have been followed; 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for establishing and maintaining the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANTLER HOLDINGS LIMITED**

We have audited the group and individual company financial statements (the "financial statements") of Antler Holdings Limited for the year ended 31 December 2005 which comprise the consolidated profit and loss account, the consolidated and individual company statement of movements on reserves, the consolidated and individual company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses, the reconciliation of movement in equity shareholders funds and the related notes 1 to 27. 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 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**

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom 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 United Kingdom 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 in accordance with the relevant financial reporting framework 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 other transactions is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

### **Basis of audit opinion**

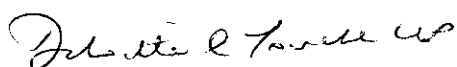
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company and the group, 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the individual company's affairs as at 31 December 2005 and of the group's loss for the year then ended ;and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
Manchester

27 April 2006

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2005**

	Note	Year ended 31 December 2005 £'000	42 weeks ended 31 December 2004 £'000
<b>TURNOVER</b>	2	33,975	21,664
Cost of sales and overheads	3	(30,529)	(19,529)
<b>OPERATING PROFIT</b>		3,446	2,135
Interest receivable and similar income	5	57	57
Interest payable and similar charges	6	(3,054)	(1,771)
Other finance costs		(15)	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	7	434	421
Tax on profit on ordinary activities	8	(656)	(573)
<b>RETAINED LOSS FOR THE FINANCIAL YEAR/PERIOD</b>		(222)	(152)

All results are derived from continuing operations.

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**Year ended 31 December 2005**

	Year ended 31 December 2005 £'000	42 weeks ended 31 December 2004 £'000
Loss for the financial year/period	(222)	(152)
Actuarial gains relating to the pension scheme	282	-
Deferred tax	(85)	-
<b>TOTAL RECOGNISED LOSS RELATING TO THE YEAR/PERIOD</b>	(25)	(152)

**STATEMENT OF MOVEMENTS ON RESERVES**  
**Year ended 31 December 2005**

	<b>Profit and loss account £'000</b>
<b>THE GROUP</b>	
Balance at 1 January 2005	(152)
Loss retained for the year	(222)
Other recognised gains and losses relating to the year (net)	197
	<hr/>
Balance at 31 December 2005	(177)
	<hr/>
<b>THE COMPANY</b>	
Balance at 1 January 2005	(487)
Loss retained for the year	(693)
	<hr/>
Balance at 31 December 2005	(1,180)
	<hr/>

**CONSOLIDATED BALANCE SHEET**  
**31 December 2005**

	Note	£'000	2005 £'000	2004 Restated £'000
<b>FIXED ASSETS</b>				
Intangible assets – goodwill	10		30,841	33,021
Tangible assets	11		1,292	1,710
			<u>32,133</u>	<u>34,731</u>
<b>CURRENT ASSETS</b>				
Stocks	13	4,722		4,770
Debtors: amounts falling due within one year	14	3,780		4,058
Cash at bank and in hand		3,436		2,438
		<u>11,938</u>		<u>11,266</u>
<b>CREDITORS: amounts falling due within one year</b>	15	<u>(6,564)</u>		<u>(7,601)</u>
<b>NET CURRENT ASSETS</b>			<u>5,374</u>	<u>3,665</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>37,507</u>	<u>38,396</u>
<b>CREDITORS: amounts falling due after more than one year</b>				
Bank loans	16		(35,194)	(35,584)
<b>PROVISIONS</b>	17		<u>-</u>	<u>(377)</u>
<b>NET ASSETS EXCLUDING PENSION LIABILITY</b>				
Pension liability	21		<u>2,313</u> <u>(1,420)</u>	<u>2,435</u> <u>(1,517)</u>
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			<u>893</u>	<u>918</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	18		1	1
Share premium	19		1,069	1,069
Profit and loss account deficit			<u>(177)</u>	<u>(152)</u>
<b>TOTAL EQUITY SHAREHOLDERS' FUNDS</b>			<u>893</u>	<u>918</u>

These financial statements were approved by the Board of Directors on  
 Signed on behalf of the Board of Directors

Director

27 April 2006

**COMPANY BALANCE SHEET**  
**31 December 2005**

	Note	£'000	2005 £'000	£'000	2004 £'000
<b>FIXED ASSETS</b>					
Investments	12		3,779		3,779
<b>CURRENT ASSETS</b>					
Debtors	14	34,343		34,637	
Cash at bank and in hand		5		790	
		34,348		35,427	
<b>CREDITORS: amounts falling due within one year</b>	15	(3,043)		(3,039)	
<b>NET CURRENT ASSETS</b>			31,305		32,388
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			35,084		36,167
<b>CREDITORS: amounts falling due after more than one year</b>					
Bank loan		(21,168)		(23,333)	
Loan notes		(14,026)		(12,251)	
<b>Total creditors falling due after more than one year</b>	16		(35,194)		(35,584)
<b>NET (LIABILITIES)/ASSETS</b>			(110)		583
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		1		1
Share premium	19		1,069		1,069
Profit and loss account deficit			(1,180)		(487)
<b>TOTAL EQUITY SHAREHOLDERS' (DEFICIT)/FUNDS</b>			(110)		583

These financial statements were approved by the Board of Directors on.

Signed on behalf of the Board of Directors

Director

27 April 2006

**CONSOLIDATED CASH FLOW STATEMENT****Year ended 31 December 2005**

	Note	52 weeks ended 31 December 2005 £'000	42 weeks ended 31 December 2004 £'000
<b>Net cash inflow from operating activities</b>	22	5,274	1,798
<b>Returns on investments and servicing of finance</b>			
Debt issue costs	-	(919)	
Interest paid	(1,891)	(1,020)	
<b>Net cash outflow from returns on investments and servicing of finance</b>		(1,891)	(1,939)
<b>Net cash outflow from taxation</b>		(628)	(526)
<b>Capital expenditure</b>			
Payments to acquire tangible fixed assets	(257)	(692)	
<b>Net cash outflow from capital expenditure</b>		(257)	(692)
<b>Acquisitions and disposals</b>			
Purchase of subsidiary undertakings	-	(3,778)	
Net cash acquired with subsidiary	-	3,798	
<b>Net cash inflow from acquisitions and disposals</b>		-	20
<b>Net cash inflow/(outflow) before financing</b>		2,498	(1,339)
<b>Financing</b>			
New borrowings	-	38,581	
Repayment of borrowings	(1,500)	(35,874)	
Issue of ordinary shares	-	1,070	
<b>Net cash (outflow)/inflow from financing</b>		(1,500)	3,777
<b>Increase in cash</b>	24	998	2,438

**RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS'  
FUNDS/(DEFICIT)**  
**Year ended 31 December 2005**

	<b>Group 2005 £'000</b>	<b>Company 2005 £'000</b>	<b>Group 2004 £'000</b>	<b>Company 2004 £'000</b>
Opening equity shareholders' funds at 31 December 2004	918	583	-	-
Loss for the financial period	(222)	(693)	(152)	(487)
Other recognised gains relating to the period (net)	197	-	-	-
Issue of 1 pence ordinary shares	-	-	1,070	1,070
Net (reduction in)/addition to equity shareholders' funds	(25)	(693)	918	583
Total equity shareholders' funds/(deficit) at 31 December 2005	893	(110)		
Closing equity shareholders' funds at 31 December 2004			918	583

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 December 2005

#### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

##### **Turnover**

Turnover represents amounts receivable for sales of goods and services, excluding value added tax. Revenue is recognised at the date of despatch.

##### **Accounting convention**

The financial statements are prepared under the historical cost convention.

##### **Intangible assets**

Goodwill is depreciated in equal annual amounts over a period of twenty years. Provision is made for any impairment.

##### **Fixed asset investments**

Fixed asset investments are stated at cost less provision for any impairment.

##### **Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided over the estimated useful lives of the assets. The rates of depreciation are as follows:

Freehold land and buildings	50 years
Plant and machinery	3-10 years

##### **Stocks**

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

Net realisable value is based on estimated normal selling price, less further costs expected to be incurred to completion and disposal. Provision is made for obsolete, slow-moving or defective items where appropriate.

##### **Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### **Research and development**

Research and development expenditure is written off in the year in which it is incurred.

##### **Leases**

Rentals under operating leases are charged to the profit and loss account in equal amounts over the life of the lease even if payments are not made on such basis.

**NOTES TO THE FINANCIAL STATEMENTS****Year ended 31 December 2005****1. ACCOUNTING POLICIES (continued)****Pension costs**

The group operates a defined benefit pension scheme covering the majority of its employees. The scheme is funded at rates determined by independent actuaries in the light of regular valuations. Such contributions are held in trustee administered funds completely independent of the group's finances.

The group has adopted FRS 17 "Retirement Benefits" in these financial statements. For the defined benefit scheme the amounts charged to operating profit are the current service costs and gains and losses on the settlements and curtailments. They are included as part of staff costs. Past services costs are recognised immediately in the profit and loss account if the benefits are vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest costs and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the company and all of its subsidiaries. The acquisition method of consolidation is used, and subsidiaries are consolidated from the date on which control passes. Each subsidiary has an accounting reference date of 31 December.

**Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if appropriate, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

**Debt**

Debt is initially stated at the amount of the net proceeds after deduction of issue costs. The carrying amount is increased by the finance cost in respect of the accounting period and reduced by payments made in the year. Finance costs are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

**Derivative financial instruments**

The group uses derivative financial instruments to reduce exposure to foreign exchange risk. The group does not hold or issue derivative financial instruments for speculative purposes.

For a forward foreign exchange contract to be treated as a hedge, the instrument must be related to actual foreign currency assets or liabilities or to a probable commitment. It must involve the same currency or similar currencies as the hedged item and must also reduce the risk of foreign currency exchange movements on the group's operations. Gains and losses arising on these contracts are deferred and recognised in the profit and loss account only when the hedged transaction has itself been reflected in the group's financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2005

## 2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the group's ordinary activities after deduction of trade discounts and value added tax. Revenue is recognised at the point of despatch. The turnover and pre-tax profits all derive from principal activities of the group. The turnover is split by geographical area as follows:

	Year ended 31 December 2005 £'000	42 weeks ended 31 December 2004 £'000
UK	32,898	21,348
Europe	907	245
Other	170	71
	<u>33,975</u>	<u>21,664</u>

## 3. COST OF SALES AND OVERHEADS

	Year ended 31 December 2005 £'000	42 weeks ended 31 December 2004 £'000
Changes in stocks of finished goods and work in progress	406	97
Raw materials and consumables	13,027	8,751
Staff costs (see note 3)	6,947	4,151
Depreciation of tangible fixed assets	504	291
Other operating expenses	7,944	5,234
Amortisation of goodwill	1,701	1,005
	<u>30,529</u>	<u>19,529</u>

## 4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	Year ended 31 December 2005 £'000	42 weeks ended 31 December 2004 £'000
<b>Emoluments</b>		
Aggregate emoluments	470	263
	<u>470</u>	<u>263</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2005**

**4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)**

Retirement benefits are accruing to 2 directors under a defined benefit pension scheme (2004 – 2)

	Year ended 31 December 2005 £'000	42 weeks ended 31 December 2004 £'000
<b>Remuneration of highest paid director</b>		
Aggregate emoluments	181	105
Contributions to a money purchase pension scheme	42	25
	<u>223</u>	<u>130</u>
	Year ended 31 December 2005 No.	42 weeks ended 31 December 2004 No.
<b>Average number of persons employed</b>		
Production	48	36
Sales, distribution and administration	340	366
	<u>388</u>	<u>402</u>
	Year ended 31 December 2005 £'000	42 weeks ended 31 December 2004 £'000
<b>Staff costs during the period (including directors)</b>		
Wages and salaries	6,080	3,693
Social security costs	472	277
Other pension costs	395	181
	<u>6,947</u>	<u>4,151</u>

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	Year ended 31 December 2005 £'000	42 weeks ended 31 December 2004 £'000
Bank interest	<u>57</u>	<u>57</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2005**

**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year ended 31 December 2005 £'000	42 weeks ended 31 December 2004 £'000
Bank loans	1,794	1,088
On all other loans	1,121	600
Amortisation of debt issue costs	139	83
	<u>3,054</u>	<u>1,771</u>

**7. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

	Year ended 31 December 2005 £'000	42 weeks ended 31 December 2004 £'000
Profit on ordinary activities before taxation is after charging:		
Loss on disposal of tangible fixed assets	171	-
Depreciation - owned assets	504	291
Amortisation of goodwill	1,701	1,005
Rentals under operating leases:		
Plant and machinery	182	89
Other operating leases	991	565
Auditors' remuneration - audit	28	18
- other services	5	3
	<u>                    </u>	<u>                    </u>

**8. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	Year ended 31 December 2005 £'000	42 weeks ended 31 December 2004 £'000
United Kingdom corporation tax at 30% based on the profit for the period	(778)	(651)
Adjustment in respect of prior years	4	-
	<u>                    </u>	<u>                    </u>
Total current tax	(774)	(651)
Deferred tax excluding pension scheme	74	78
	<u>                    </u>	<u>                    </u>
Total tax on profit on ordinary activities excluding pension scheme	(700)	(573)
Deferred tax		
Current year pension scheme	44	-
	<u>                    </u>	<u>                    </u>
	(656)	(573)

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2005**

**8. TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)**

The current tax assessed for the period is higher than that resulting from applying the standard rate of corporation tax in the UK, 30%. The differences are explained below:

	<b>2005</b> <b>£'000</b>	<b>2004</b> <b>£'000</b>
Profit on ordinary activities before tax	434	421
Tax on profit on ordinary activities at standard rate of corporation tax of 30%	(130)	(126)
Expenses not deductible for tax purposes	(10)	(14)
Depreciation in excess of capital allowances	(91)	2
Movement in short term timing differences	(37)	(80)
Goodwill amortisation	(510)	(302)
Amounts arising on acquisition of business	-	(131)
Adjustment in respect of prior years	4	-
	<u>(774)</u>	<u>(651)</u>

**9. LOSS OF PARENT COMPANY**

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss after tax before dividends for the financial year amounted to £693,000 (2004 - £487,000).

**10. INTANGIBLE FIXED ASSETS**

<b>Group</b>	<b>Goodwill</b> <b>arising on</b> <b>consolidation</b> <b>£'000</b>
<b>Cost</b>	
At 1 January 2005	34,026
Revision of provisional fair value adjustments	(479)
At 31 December 2005	<u>33,547</u>
<b>Amortisation</b>	
At 1 January 2005	1,005
Charge for the year	1,701
At 31 December 2005	<u>2,706</u>
<b>Net book value</b>	
At 31 December 2005	<u>30,841</u>
At 31 December 2004	<u>33,021</u>

The revision of the fair value adjustment relates to deferred tax in respect of short term timing differences.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2005**

**11. TANGIBLE FIXED ASSETS**

	<b>Freehold land and buildings £'000</b>	<b>Plant and equipment £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
At 1 January 2005	675	5,199	5,874
Additions	-	257	257
Disposals	-	(300)	(300)
At 31 December 2005	675	5,156	5,831
<b>Accumulated depreciation</b>			
At 1 January 2005	74	4,090	4,164
Charge for the year	14	490	504
Disposals	-	(129)	(129)
At 31 December 2005	88	4,451	4,539
<b>Net book value</b>			
At 31 December 2005	587	705	1,292
At 31 December 2004	601	1,109	1,710

**12. INVESTMENTS HELD AS FIXED ASSETS**

<b>Company</b>	<b>Shares in subsidiaries £'000</b>
At 1 January 2005 and 31 December 2005	3,779

*This investment represents the entire issued share capital of Antler Group Limited. Antler Group Limited is an intermediate holding company which owns the entire share capital of Antler Limited. Both are incorporated in England and Wales. Antler Group Limited is a holding company and Antler Limited is a luggage distributor.*

**13. STOCKS**

	<b>Group 2005 £'000</b>	<b>Group 2004 £'000</b>
Raw materials and consumables	25	31
Work in progress	32	46
Finished goods and goods for resale	4,665	4,693
	4,723	4,770

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2005**

**14. DEBTORS**

	<b>Group 2005 £'000</b>	<b>Company 2005 £'000</b>	<b>Group 2004 £'000</b>	<b>Company 2004 £'000</b>
Trade debtors	3,111	-	3,380	-
Other debtors	9	-	40	-
Prepayments and accrued income	484	83	638	225
Amounts owed by subsidiary undertakings	-	34,260	-	34,412
Deferred tax asset (see note 17)	176	-	-	-
	<u>3,780</u>	<u>34,343</u>	<u>4,058</u>	<u>34,637</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 2005 £'000</b>	<b>Company 2005 £'000</b>	<b>Group 2004 £'000</b>	<b>Company 2004 £'000</b>
Bank loans	2,118	2,118	1,361	1,361
Trade Creditors	1,899	-	3,174	-
Taxation and social security	411	(7)	560	-
Other creditors	314	-	453	-
Accruals and deferred income	1,561	932	1,938	1,678
Corporation tax	261	-	115	-
	<u>6,564</u>	<u>3,043</u>	<u>7,601</u>	<u>3,039</u>

**16. BANK LOANS AND LOAN NOTES**

	<b>Group 2005 £'000</b>	<b>Company 2005 £'000</b>	<b>Group 2004 £'000</b>	<b>Company 2004 £'000</b>
Unsecured loan stock (2012 – 2013)	14,309	14,309	12,581	12,581
Term loan	23,700	23,700	25,200	25,200
	<u>38,009</u>	<u>38,009</u>	<u>37,781</u>	<u>37,781</u>
Less deferred issue costs	(697)	(697)	(836)	(836)
	<u>37,312</u>	<u>37,312</u>	<u>36,945</u>	<u>36,945</u>

A repayment of £1,500,000 (2004 - £800,000) was made on the term loan. This is included within loan repayments in the cash flow statement.

Bank loans and overdrafts within creditors due within 1 year are shown net of deferred issue costs of £132,000 (2004 - £139,000).

The term loan is secured by a legal charge over the freehold land and buildings and a floating charge over the assets of the group.

The unsecured loan stock is repayable in two parts with £7,154,300 due on 31 October 2012 and, £7,154,300 due on 30 April 2013.

The term loan is repayable between 2004 to 2012.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2005**

**16. BANK LOANS AND LOAN NOTES (continued)**

Borrowings in respect of finance loans are repayable as follows:

	<b>Group 2005 £'000</b>	<b>Company 2005 £'000</b>	<b>Group 2004 £'000</b>	<b>Company 2004 £'000</b>
<b>Unsecured loan stock (2012 – 2013)</b>				
Between two and five years	-	-	-	-
After five years	14,309	14,309	12,581	12,581
	<u>14,309</u>	<u>14,309</u>	<u>12,581</u>	<u>12,581</u>
Less issue costs	(283)	(283)	(330)	(330)
	<u>14,026</u>	<u>14,026</u>	<u>12,251</u>	<u>12,251</u>
<b>Term loan</b>				
Within one year	2,250	2,250	1,500	1,500
Between one and two years	2,250	2,250	2,250	2,250
Between two and five years	8,250	8,250	7,500	7,500
After five years	10,950	10,950	13,950	13,950
	<u>23,700</u>	<u>23,700</u>	<u>25,200</u>	<u>25,200</u>
Less issue costs	(414)	(414)	(506)	(506)
	<u>23,286</u>	<u>23,286</u>	<u>24,694</u>	<u>24,694</u>
Amounts due in less than one year	<u>2,118</u>	<u>2,118</u>	<u>1,361</u>	<u>1,361</u>
Amounts due after more than one year	<u>35,194</u>	<u>35,194</u>	<u>35,584</u>	<u>35,584</u>

Interest on the unsecured loan stock is payable at a fixed rate of 8.5%.

Interest on the term loan is payable at LIBOR +2.25% on "Tranche A" and at LIBOR +3% on "Tranche B".

At 31 December 2005 the "Tranche A" element of the loan was £14,700,000 (2004 - £16,200,000) and the "Tranche B" element £9,000,000 (2004 - £9,000,000).

**17. PROVISION FOR LIABILITIES AND CHARGES**

	<b>2005 £'000</b>	<b>2004 £'000</b>
<b>Deferred taxation</b>		
Balance at 1 January	377	-
Credit to profit and loss account	(74)	(78)
Amounts arising on acquisition of business	-	455
Revision of provisional fair value adjustment	(479)	-
Balance at 31 December	<u>(176)</u>	<u>377</u>

Deferred tax is provided as follows:

	<b>2005 £'000</b>	<b>2004 £'000</b>
Depreciation in excess of capital allowances	(102)	(39)
Other timing differences	(74)	416
Provision for deferred tax	<u>(176)</u>	<u>377</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2005**

**18. CALLED UP SHARE CAPITAL**

	2005 £'000	2004 £'000
Authorised		
20,000 'A' ordinary shares of 1 pence each	-	-
80,000 'B' ordinary shares of 1 pence each	1	1
	<u>1</u>	<u>1</u>
	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Allotted, called up and fully paid		
16,300 'A' ordinary shares of 1 pence each	-	-
80,000 'B' ordinary shares of 1 pence each	1	1
	<u>1</u>	<u>1</u>

The shares rank pari passu except as noted below.

The holders of the "B" Ordinary Shares shall in any Default Period be entitled to exercise a poll ten times the number of votes conferred by all the shares of all other classes.

A Default Period is defined as a period, during which there is a breach of a financial covenant or a breach of the shareholder agreement or a breach of the articles of association.

**19. SHARE PREMIUM**

	£'000
At 1 January 2005 and 31 December 2005	<u>1,069</u>

**20. OPERATING LEASE COMMITMENTS**

Group	Land and buildings 2005 £'000	Other 2005 £'000	Land and buildings 2004 £'000	Other 2004 £'000
Leases which expire:				
Within 1 year	-	45	27	12
Within two to five years inclusive	764	130	977	124
After 5 years	227	-	-	-
	<u>991</u>	<u>175</u>	<u>1,004</u>	<u>136</u>

**21. PENSION COSTS**

- (a) The group operates a funded pension scheme providing final salary and defined contribution benefits. The assets of the scheme are held in trustee administered funds. Previously the group operated three defined benefit schemes, which were merged on 1 April 2000. The final salary section of the scheme closed to new entrants on 1 April 2001 and new entrants from that date accrue benefits in the defined contribution section of the scheme.

The pension charge for the year was £395,000 (2004 - £181,000).

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2005**

**21. PENSIONS (continued)**

- (b) The following information set out below is as required under Financial Reporting Standard 17 – Retirement Benefits. The figures stated have been calculated by qualified actuaries using the projected unit method:

Under the projected unit method, the current service cost will increase as the members of the scheme approach retirement.

<b>Actuarial Assumptions</b>	<b>2005</b>	<b>2004</b>
Rate of increase in salaries	3.0%	4.00%
Rate of increase in pensions in payment (excess over GMP)	0.0%	0.0%
Discount rate	4.7%	5.3%
Inflation assumptions	3.0%	3.00%

**Market value of assets and expected rates of return**

	<b>Expected rate of return 2005</b>	<b>Market value 2005 £'000</b>	<b>Expected rate of return 2004</b>	<b>Market value 2004 £'000</b>
Equities	7.75%	5,795	7.50%	5,096
Bonds	4.70%	2,455	5.00%	1,907
Property	7.75%	929	7.50%	771
Other	3.00%	383	3.00%	55
		<u>9,562</u>		<u>7,829</u>

**Reconciliation of pension scheme assets and liabilities**

	<b>2005 £'000</b>	<b>2004 £'000</b>
Market value of scheme's assets	9,562	7,829
Present value of scheme's liabilities	(11,591)	(9,996)
Gross pension liability	(2,029)	(2,167)
Less : deferred tax at 30%	609	650
Net pension liability	<u>(1,420)</u>	<u>(1,517)</u>

**Movement in scheme deficit during the year**

	<b>2005 £'000</b>	<b>2004 £'000</b>
Deficit in scheme at start of year	(2,167)	-
Fair value on acquisition	-	(2,167)
Actuarial gains/losses	282	-
Current service cost	(493)	-
Contribution	364	-
Other finance charge	(15)	-
Deficit in scheme at end of year	<u>(2,029)</u>	<u>(2,167)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2005**

**21. PENSIONS (continued)**

**Analysis of amount charged to operating profit**

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Current service cost	493	-
Total operating (charge)/income	493	-

**Amounts included as other finance costs**

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Expected return of scheme assets	524	-
Interest discount on scheme liabilities	(539)	-
Net finance charge	(15)	-

**History of experience gains and losses**

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Amount (£'000)	952	-
Percentage	10%	-
Experience gains and/(loss) arising on scheme liabilities	(28)	-
Percentage	0.2%	-
Total actuarial gain	282	-
Percentage of present value of scheme liabilities at year end	(2.4%)	-

**Analysis of amount recognised in statement of total recognised gains and losses (STRGL)**

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Actual return less expected return on pension scheme assets	952	-
Experience gains and losses arising on scheme liabilities	(28)	-
Changes in financial assumptions underlying the schemes liabilities	(642)	-
Actuarial gains recognised in STRGL	282	-

FRS 17 was adopted in full in 2004 as part of the acquisition of Antler Group. There were no movements in the deficit between the date of acquisition and 31 December 2004. Therefore there are no charges in the profit and loss account or statement of total recognised gains and losses in 2004.

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 December 2005**

**22. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2005</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit	3,446	2,135
Depreciation charges	504	291
Loss on disposal of tangible fixed assets	171	-
Amortisation of goodwill	1,701	1,005
Movement in provision including pensions	247	-
Amortisation of debt issue costs	139	-
Decrease/(increase) in stock	47	(327)
Decrease/(increase) in debtors	278	(165)
Decrease in creditors	(1,259)	(1,141)
Net cash inflow from operating activities	<u>5,274</u>	<u>1,798</u>

**23. RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET DEBT**

	<b>2005</b>	<b>2005</b>	<b>2004</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Increase in cash in the period	998		2,438	
Cash inflow from increase in debt financing	-		(38,581)	
Repayment of term loan	1,500		800	
Repayment of loans acquired	-		35,074	
	<u></u>		<u></u>	
Changes in net debt resulting from cash flows		2,498		(269)
Debt issue costs		-		919
Amortisation of debt issue costs		(139)		(83)
Loans acquired		-		(35,074)
Capitalisation of accrued interest charges		(1,728)		-
		<u>631</u>		<u>(34,507)</u>
Movement in net debt		(34,507)		-
Opening net debt				<u>(34,507)</u>
Net debt at 31 December 2005		<u>(33,876)</u>		<u>(34,507)</u>

**24. ANALYSIS OF CHANGES IN NET DEBT**

	<b>At</b>			<b>At</b>
	<b>1 January</b>	<b>Cash</b>	<b>Non cash</b>	<b>31 December</b>
	<b>2005</b>	<b>flows</b>	<b>flows</b>	<b>2004</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank and in hand	2,438	998	-	3,436
<b>Debt due within one year</b>				
Term loan	(1,361)	-	(757)	(2,118)
<b>Debt due after one year</b>				
Term loan	(23,333)	1,500	618	(21,215)
Unsecured loan stock (2012 – 2013)	(12,251)	-	(1,728)	(13,979)
	<u>(36,945)</u>	<u>1,500</u>	<u>(1,867)</u>	<u>(37,312)</u>
	<u>(34,507)</u>	<u>2,498</u>	<u>(1,867)</u>	<u>(33,876)</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**Year ended 31 December 2005**

**25. RELATED PARTY TRANSACTIONS**

The company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Antler Holdings Limited group of companies.

**26. CONTROLLING PARTIES**

The directors of Antler Holdings Limited regard Barclays Equity Finance as the ultimate controlling party of the group.

**27. CONTINGENT LIABILITIES**

On 8 June 2004 a cross guarantee was created between Antler Holdings Limited and two other group companies, Antler Group Limited and Antler Limited in respect of the borrowings of the group. At the balance sheet date the group had borrowings of £38,009,000 (2004 - £37,781,000).

The group had amounts outstanding at 31 December 2005 under guarantees given in the normal course of business of £nil (2004 - £25,000).

The group had outstanding letters of credit at 31 December 2005 of £1,643,372 (2004 - £1,446,825).

At 31 December 2005, the group had outstanding forward exchange contracts to buy foreign currency to the value of £6,823,410 (2004 - £2,299,742).