

ANTLER HOLDINGS LIMITED

Report and Financial Statements

31 December 2007

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REPORT AND FINANCIAL STATEMENTS

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

K Twine
R J Woodcock
G R Capell
P Eglin
S G Burrows (appointed 23 January 2008)
P F Laughton
N M Elstub (resigned 17 October 2007)
A E Wellenreiter

SECRETARY

R J Woodcock

REGISTERED OFFICE

Pilot Works
Alfred Street
Bury
Lancashire
BL9 9EF

BANKERS

Bank of Scotland
New Ueberior House
11 Earl Grey Street
Edinburgh
EH3 9BN

SOLICITORS

Addleshaw Goddard
100 Barbirolli Square
Manchester
M2 3AB

AUDITORS

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester
United Kingdom

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

ACTIVITIES

The Group's principal activities are the design, manufacture and distribution of luggage and travel goods. These products are sold to specialist and multiple high street retailers and also through the Group's own retail operations.

REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

There have not been any significant changes in the Group's principal activities in the year under review. The directors are not aware, at the date of this report, of any likely major changes in the Group's activities in the next year.

The results of the Group for the year are set out in detail on page 6 which shows that turnover has increased by 13.5% on the prior year. The profit on ordinary activities before taxation for the year was £2,721,000 (2006: £548,000), which includes a profit of £2,023,000 on the sale of a portion of land.

The average number of people employed by the Group has increased by 22 during the year from 350 in 2006 to 372 in 2007.

The directors consider the state of affairs at the end of the year and the future prospects of the Group to be satisfactory.

DIVIDENDS AND TRANSFERS FROM RESERVES

The directors are unable to recommend the payment of a dividend (2006: same). The retained consolidated profit of £1,227,000 (2006: loss of £147,000) has been transferred to (2006: withdrawn from) consolidated reserves.

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive pressure in the UK is a continuing risk for the Group. The Group manages this risk by ongoing investment in product innovation, continually striving to improve customer service and relationships and by empowering its staff to drive positive change.

The Group uses derivative financial instruments to reduce exposure to foreign exchange risk.

The Group is part financed by a combination of secured senior debt and unsecured loan notes. The interest charged on the senior debt is between 2.25% and 3% above LIBOR. The interest on the loan notes is at 8.5%.

The senior debt is subject to financial covenants. The directors regularly review the compliance with these covenants and maintain strong relationships with the Group's financiers in order to minimise any associated risk.

DIRECTORS

The directors who served during the year, and thereafter, are set out on page 1.

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)

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.

POLITICAL AND CHARITABLE CONTRIBUTIONS

During the year, the Group made no charitable or political donations (2006 £Nil).

DIRECTORS' AND OFFICERS' LIABILITY

Directors' and officers' liability insurance has been purchased by the Company during the year (2006 same).

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the directors at the date of approval of this report confirms that

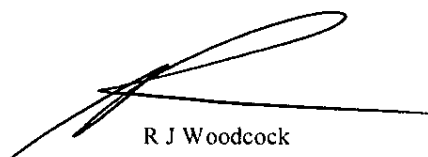
- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

AUDITORS

A resolution to re-appoint Deloitte & Touche LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

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



R J Woodcock

Company Secretary

30 April 2008

STATEMENT OF 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ANTLER HOLDINGS LIMITED

We have audited the Group and parent company financial statements (the "financial statements") of Antler Holdings Limited for the year ended 31 December 2007 which comprise the consolidated profit and loss account, the consolidated statement of total recognised gains and losses, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated and company reconciliations of movements in equity shareholders' funds/(deficit) 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 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 Directors' Report 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 group's and company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Group's and the parent company's affairs as at 31 December 2007 and of the Group's profit 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 Directors' Report is consistent with the financial statements.

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Manchester
United Kingdom

30 April 2008

CONSOLIDATED PROFIT AND LOSS ACCOUNT
Year ended 31 December 2007

	Note	2007 £'000	2006 £'000
TURNOVER	2	41,400	36,484
Cost of sales and overheads	3	(37,886)	(33,107)
OPERATING PROFIT		3,514	3,377
Profit on sale of property		2,023	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		5,537	3,377
Interest receivable and similar income	5	80	111
Interest payable and similar charges	6	(3,029)	(3,030)
Other finance income	7	133	90
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	8	2,721	548
Tax on profit on ordinary activities	9	(1,494)	(695)
RETAINED PROFIT/ (LOSS) FOR THE FINANCIAL YEAR		1,227	(147)

All results are derived from continuing activities

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
Year ended 31 December 2007

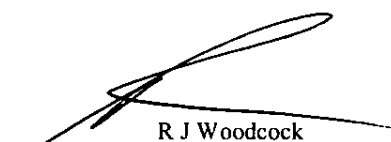
	2007 £'000	2006 £'000
Profit/(loss) for the financial year	1,227	(147)
Actuarial (loss)/gain relating to the pension scheme	(172)	1,511
Deferred tax relating to the actuarial loss/(gain)	52	(453)
Total gains and losses recognised since the last annual report and financial statements	1,107	911

CONSOLIDATED BALANCE SHEET
31 December 2007

		2007	2006
		£'000	£'000
	Note		
FIXED ASSETS			
Intangible assets – goodwill	11	27,439	29,140
Tangible assets	12	1,852	1,307
		<u>29,291</u>	<u>30,447</u>
CURRENT ASSETS			
Stocks	14	5,056	5,554
Debtors amounts falling due within one year	15	5,107	4,403
Cash at bank and in hand		2,935	1,568
		<u>13,098</u>	<u>11,525</u>
CREDITORS amounts falling due within one year	16	<u>(9,474)</u>	<u>(8,047)</u>
NET CURRENT ASSETS		<u>3,624</u>	<u>3,478</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>32,915</u>	<u>33,925</u>
CREDITORS amounts falling due after more than one year	17	<u>(29,617)</u>	<u>(31,799)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>3,298</u>	<u>2,126</u>
Pension liability	22	<u>(315)</u>	<u>(252)</u>
NET ASSETS INCLUDING PENSION LIABILITY		<u>2,983</u>	<u>1,874</u>
CAPITAL AND RESERVES			
Called up share capital	19	1	1
Share premium	20	1,141	1,139
Profit and loss account	20	1,841	734
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>2,983</u>	<u>1,874</u>

These financial statements were approved by the Board of Directors on **30** April 2008

Signed on behalf of the Board of Directors



R J Woodcock
Director

COMPANY BALANCE SHEET
31 December 2007

	Note	2007 £'000	2006 £'000
FIXED ASSETS			
Investments	13	3,779	3,779
CURRENT ASSETS			
Debtors amounts falling due within one year	15	43,013	39,658
Cash at bank and in hand		2	1
		<u>43,015</u>	<u>39,659</u>
CREDITORS, amounts falling due within one year	16	<u>(17,662)</u>	<u>(12,200)</u>
NET CURRENT ASSETS		<u>25,353</u>	<u>27,459</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		29,132	31,238
CREDITORS' amounts falling due after more than one year	17	<u>(29,617)</u>	<u>(31,799)</u>
NET LIABILITIES		<u>(485)</u>	<u>(561)</u>
CAPITAL AND RESERVES			
Called up share capital	19	1	1
Share premium	20	1,141	1,139
Profit and loss account	20	<u>(1,627)</u>	<u>(1,701)</u>
TOTAL EQUITY SHAREHOLDERS' DEFICIT		<u>(485)</u>	<u>(561)</u>

These financial statements were approved by the Board of Directors on 30 April 2008

Signed on behalf of the Board of Directors



Director
R J Woodcock

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 December 2007

	Note	2007 £'000	2006 £'000
Net cash inflow from operating activities	23	6,202	4,964
Returns on investments and servicing of finance			
Debt issue costs		-	(605)
Interest received		80	111
Interest paid		(1,730)	(1,706)
Net cash outflow from returns on investments and servicing of finance		(1,650)	(2,200)
Net cash outflow from taxation		(1,054)	(677)
Capital expenditure			
Payments to acquire tangible fixed assets		(1,156)	(352)
Receipts from sale of tangible fixed assets		2,300	-
Net cash inflow/(outflow) from capital expenditure		1,144	(352)
Net cash inflow before financing		4,642	1,735
Financing			
Repayment of borrowings		(3,277)	(3,673)
Issue of ordinary shares		2	70
Net cash outflow from financing		(3,275)	(3,603)
Increase/(decrease) in cash	24, 25	1,367	(1,868)

**RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS'
FUNDS/(DEFICIT)
Year ended 31 December 2007**

	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
Profit/(loss) for the financial year	1,227	74	(147)	(521)
Actuarial (loss)/gain relating to the pension scheme	(172)	-	1,511	-
Deferred tax relating to the actuarial loss/(gain)	52	-	(453)	-
Issue of 1 pence 'A' ordinary shares	2	2	70	70
Net addition to/(reduction in) equity shareholders' funds/(deficit)	1,109	76	981	(451)
Opening equity shareholders' funds/(deficit)	1,874	(561)	893	(110)
Closing equity shareholders' funds/(deficit)	2,983	(485)	1,874	(561)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2007

1. ACCOUNTING POLICIES

A summary of the principal accounting policies, all of which have been applied consistently throughout the current and previous year are set out below

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards

Intangible assets

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

Fixed asset investments

Investments held as fixed assets are stated at cost less provision for any impairment in value

Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset in equal annual instalments over its expected useful life, as follows

Freehold land and buildings	20-50 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 and foreign 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 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. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded 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 from which the future reversal of the underlying timing differences can be deducted

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold

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 a non-discounted basis

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2007

1 ACCOUNTING POLICIES (continued)

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 lease term, even if payments are not made on such basis

Pension costs

Pension costs are accounted for in accordance with FRS 17 "Retirement Benefits". The Group operates a defined benefit pension scheme covering the majority of its employees. The scheme is funded by contributions from the Group and its employees 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.

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 service 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 cost 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 translation

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 2007

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 the principal activities of the Group. The turnover is split by geographical area as follows:

	2007 £'000	2006 £'000
United Kingdom	39,561	35,065
Europe	1,050	1,013
Other	789	406
	<u>41,400</u>	<u>36,484</u>

3. COST OF SALES AND OVERHEADS

	2007 £'000	2006 £'000
Changes in stocks of finished goods and work in progress	542	(842)
Raw materials and consumables	19,203	17,253
Staff costs (see note 4)	7,837	6,956
Depreciation charge	422	337
Other operating expenses	8,181	7,702
Amortisation of goodwill	1,701	1,701
	<u>37,886</u>	<u>33,107</u>

4 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

Group	2007 £'000	2006 £'000
Directors' emoluments		
Remuneration	504	449
Amounts contributed to defined contribution pension schemes	21	14
Fees payable to third parties in respect of directors' services	22	21
	<u>547</u>	<u>484</u>

Fees payable to third parties comprise amounts payable to Barclays Private Equity under an agreement to provide the Group with the services of N M Elstub and A E Wellenreiter.

Pensions	No	No
The number of directors who were members of the pension scheme was as follows:		
Defined benefit scheme	2	2
	<u>£'000</u>	<u>£'000</u>
Remuneration of the highest paid director was as follows:		
Emoluments	159	121
Amounts contributed to defined contribution pension scheme	15	-
	<u>174</u>	<u>121</u>

The accrued pension entitlement under the Company's defined benefit scheme of the highest paid director at 31 December 2007 was £nil (2006: £58,638).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007

4. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

Group	2007 No	2006 No.
Average number of persons employed		
Production	50	47
Sales, distribution and administration	322	303
	<u>372</u>	<u>350</u>
	2007 £'000	2006 £'000
Staff costs during the year (including executive directors)		
Wages and salaries	6,812	6,059
Social security costs	553	482
Pension costs	472	415
	<u>7,837</u>	<u>6,956</u>

Company

The executive directors are also directors of a subsidiary company, Antler Limited and the majority of their activities relate to services carried out in relation to Antler Limited. Therefore the directors deem it inappropriate to directly allocate any of their costs to the profit and loss account of this company (2006 same)

£34,216 (2006 £33,273) was paid to non-executive directors, which included £22,216 (2006 £21,273) payable to Barclays Private Equity under an agreement to provide the Group with the services of N M Elstub and A E Wellenreiter

No salaries or wages have been paid to other employees during the year. Other than the directors, the Company has no employees (2006 same)

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £'000	2006 £'000
Bank interest receivable	80	81
Other interest receivable	-	30
	<u>80</u>	<u>111</u>

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2007 £'000	2006 £'000
Interest payable on bank loans	1,588	1,679
Interest payable on other loans	1,320	1,216
Amortisation of debt issue costs	121	135
	<u>3,029</u>	<u>3,030</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007

7 OTHER FINANCE INCOME

	2007	2006
	£'000	£'000
Interest on pension assets and liabilities (note 22)	133	90

8 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2007	2006
	£'000	£'000
Profit on ordinary activities before taxation is after charging/(crediting)		
Profit on disposal of tangible fixed assets – property	(2,023)	-
Depreciation - owned assets	422	337
Amortisation of goodwill	1,701	1,701
Rentals under operating leases		
Plant and machinery	207	195
Other operating leases	1,176	1,140
The analysis of auditors' remuneration is as follows		
Fees payable for the audit of the company's annual accounts	2	2
Fees payable for the audit of the company's subsidiary companies	29	28
Tax compliance services	23	15

During the year the company disposed of a portion of land resulting in a profit of £2,023,000. The effect of this item on the taxation charge for the year was £545,300.

9. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007	2006
	£'000	£'000
Current tax		
United Kingdom corporation tax	1,352	682
Adjustments in respect of previous periods	-	5
Total current tax	1,352	687
Deferred tax		
Origination and reversal of timing differences – excluding pension liability	90	(40)
Origination and reversal of timing differences – on pension liability	29	48
Effect of change in tax rate	23	-
Total deferred tax	142	8
Total tax on profit on ordinary activities	1,494	695

The difference between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007

9 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

	2007	2006
	£'000	£'000
Profit on ordinary activities before tax	2,721	548
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2006 30%)	816	164
Effects of		
Expenses not deductible for tax purposes	173	21
Depreciation in excess of capital allowances	(32)	(9)
Movement in short term timing differences	(53)	(4)
Goodwill amortisation	510	510
Profit on disposal in excess of capital allowances	(62)	-
Adjustment in respect of prior years	-	5
Total current tax	1,352	687

10 PROFIT/(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 profit after tax but before dividends for the financial year amounted to a profit of £74,000 (2006 loss of £521,000)

11 INTANGIBLE FIXED ASSETS

Group	Goodwill
	£'000
Cost	
At 1 January 2007 and at 31 December 2007	33,547
Amortisation	
At 1 January 2007	4,407
Charge for the year	1,701
At 31 December 2007	6,108
Net book value	
At 31 December 2007	27,439
At 31 December 2006	29,140

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007

12 TANGIBLE FIXED ASSETS

Group

	Freehold land and buildings £'000	Plant and equipment £'000	Total £'000
Cost			
At 1 January 2007	675	5,508	6,183
Additions	155	1,001	1,156
Disposals	(225)	(1,919)	(2,144)
At 31 December 2007	605	4,590	5,195
Accumulated depreciation			
At 1 January 2007	101	4,775	4,876
Charge for the year	14	408	422
Disposals	(36)	(1,919)	(1,955)
At 31 December 2007	79	3,264	3,343
Net book value			
At 31 December 2007	526	1,326	1,852
At 31 December 2006	574	733	1,307

It is not possible to separate the cost of the land from the buildings. Therefore, the combined cost of the land and buildings is depreciated.

13 INVESTMENTS HELD AS FIXED ASSETS

Company	Shares in subsidiaries £'000
At 1 January 2007 and 31 December 2007	3,779

In the opinion of the directors no provision for impairment is required. At 31 December 2007 the Company has investments in the following subsidiary undertakings:

Company	Principal activity	Country of incorporation and trading	Holding ordinary	Shareholding
Antler Group Limited	Holding company	England	Ordinary shares	100%
			Preference shares	100%
Antler Limited*	Luggage supplier	England	Ordinary shares	100%
Carry Systems Limited**	Dormant	England	Ordinary shares	100%

* Held indirectly through Antler Group Limited

**Held indirectly through Antler Limited

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007

14. STOCKS

	Group 2007 £'000	Group 2006 £'000
Raw materials and consumables	59	15
Work in progress	33	29
Finished goods and goods for resale	4,964	5,510
	<u>5,056</u>	<u>5,554</u>

15. DEBTORS

	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
Trade debtors	3,897	-	3,855	-
Other debtors	589	-	40	-
Prepayments and accrued income	509	7	292	7
Amounts owed by subsidiary undertakings	-	43,006	-	39,651
Deferred tax asset	112	-	216	-
	<u>5,107</u>	<u>43,013</u>	<u>4,403</u>	<u>39,658</u>

Group	2007 £'000	2006 £'000
Deferred taxation		
Balance at 1 January	216	176
(Charge)/credit to profit and loss account (note 9)	(104)	40
Balance at 31 December	<u>112</u>	<u>216</u>

Deferred tax is provided as follows

	2007 £'000	2006 £'000
Depreciation in excess of capital allowances	72	110
Other timing differences	40	106
Deferred tax asset	<u>112</u>	<u>216</u>

There was no unprovided deferred tax in respect of the group (2006 same)

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007

16 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Company	Group	Company
	2007	2007	2006	2006
	£'000	£'000	£'000	£'000
Bank loans	2,217	2,217	1,975	1,975
Trade Creditors	2,172	-	2,340	-
Other creditors	93	-	139	-
Taxation and social security	381	-	592	-
Amounts owed to subsidiary undertakings	-	13,841	-	8,701
Accruals and deferred income	4,042	1,515	2,730	1,524
Corporation tax	569	89	271	-
	<u>9,474</u>	<u>17,662</u>	<u>8,047</u>	<u>12,200</u>

17 CREDITORS AMOUNTS FALLING DUE AFTER ONE YEAR

	Group	Company	Group	Company
	2007	2007	2006	2006
	£'000	£'000	£'000	£'000
Bank loans	14,283	14,283	17,729	17,729
Loan notes	15,334	15,334	14,070	14,070
	<u>29,617</u>	<u>29,617</u>	<u>31,799</u>	<u>31,799</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007

18 BANK LOANS AND LOAN NOTES

	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
Unsecured loan stock (2012 – 2013)	15,525	15,525	14,309	14,309
Term loan	16,750	16,750	20,027	20,027
	<u>32,275</u>	<u>32,275</u>	<u>34,336</u>	<u>34,336</u>
Less deferred issue costs	(441)	(441)	(562)	(562)
	<u>31,834</u>	<u>31,834</u>	<u>33,774</u>	<u>33,774</u>

Bank loans and overdrafts within creditors due within 1 year are shown net of deferred issue costs of £112,000 (2006 £121,000)

During the year a repayment of £3,277,000 (2006 £3,673,000) was made on the term loan. This is included within loan repayments in the cash flow statement.

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 and is repayable between 2004 and 2012.

The unsecured loan stock is repayable in two parts with £7,762,500 (2006 £7,154,300) due on 31 October 2012 and £7,762,500 (2006 £7,154,300) due on 30 April 2013. Interest accrued on the unsecured loan stock has been rolled-up into the loan and is repayable in 2013.

Borrowings in respect of finance loans are repayable as follows:

	Group 2007 £'000	Company 2007 £'000	Group 2006 £'000	Company 2006 £'000
Unsecured loan stock (2012 – 2013)				
Between two and five years	7,762	7,762	-	-
After five years	7,763	7,763	14,309	14,309
	<u>15,525</u>	<u>15,525</u>	<u>14,309</u>	<u>14,309</u>
Less issue costs	(191)	(191)	(239)	(239)
	<u>15,334</u>	<u>15,334</u>	<u>14,070</u>	<u>14,070</u>
Term loan				
Within one year	2,329	2,329	2,096	2,096
Between one and two years	2,562	2,562	2,329	2,329
Between two and five years	11,859	11,859	11,387	11,387
After five years	-	-	4,215	4,215
	<u>16,750</u>	<u>16,750</u>	<u>20,027</u>	<u>20,027</u>
Less issue costs	(250)	(250)	(323)	(323)
	<u>16,500</u>	<u>16,500</u>	<u>19,704</u>	<u>19,704</u>
Amounts due in less than one year	<u>2,217</u>	<u>2,217</u>	<u>1,975</u>	<u>1,975</u>
Amounts due after more than one year	<u>29,617</u>	<u>29,617</u>	<u>31,799</u>	<u>31,799</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 2006 the "Tranche A" element of the loan was £8,320,205 (2006 £11,597,072) and the "Tranche B" element £8,430,000 (2006 £8,430,000).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007

19. CALLED UP SHARE CAPITAL

	2007 £'000	2006 £'000
Authorised		
26,200 (2006 26,200) 'A' ordinary shares of 1 pence each	-	-
80,000 'B' ordinary shares of 1 pence each	1	1
	<u>1</u>	<u>1</u>
	2007 £'000	2006 £'000
Allotted, called up and fully paid		
22,840 (2006 22,640) '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 for the holders of the "B" Ordinary Shares shall in any Default Period be entitled to exercise on 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.

On 27 September 2007, the company allotted 200 'A' Ordinary shares of 1p each for the total cash consideration of £2,222.

20. RESERVES

The movement on the reserves accounts during the year was as follows:

Group	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2007	1,139	734	1,873
Actuarial loss relating to pension scheme net of deferred tax	-	(120)	(120)
Retained profit for the year	-	1,227	1,227
Premium on shares issued in the year	2	-	2
At 31 December 2007	<u>1,141</u>	<u>1,841</u>	<u>2,982</u>
Company	Share premium account £'000	Profit and loss account £'000	Total £'000
At 1 January 2007	1,139	(1,701)	(562)
Retained profit for the year	-	74	74
Premium on shares issued in the year	2	-	2
At 31 December 2007	<u>1,141</u>	<u>(1,627)</u>	<u>(486)</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007

21. FINANCIAL COMMITMENTS

Operating lease commitments
Group

	Land and buildings 2007 £'000	Other 2007 £'000	Land and buildings 2006 £'000	Other 2006 £'000
Leases which expire				
Within one year	-	45	230	39
Within 2 to 5 years	965	74	790	145
After 5 years	450	-	120	-
	<u>1,415</u>	<u>119</u>	<u>1,140</u>	<u>184</u>

Contingent liabilities

The Group had no amounts outstanding at 31 December 2007 under guarantees given in the normal course of business (2006 £nil)

The Group had outstanding letters of credit at 31 December 2007 of £1,750,799 (2006 £1,836,455)

At 31 December 2007, the Group had outstanding forward exchange contracts to buy foreign currency to the value of £9,653,920 (2006 £9,027,270)

22. 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 £472,000 (2006 £415,000)

The actuarial valuation described above has been updated at 31 December 2007 by a qualified actuary using revised assumptions that are consistent with the requirements of Financial Reporting Standard 17 'Retirement Benefits' (FRS 17)

- (b) The following information set out below is as required under FRS 17. 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.

Actuarial Assumptions	2007	2006	2005
Rate of increase in salaries	3.20%	3.00%	3.00%
Rate of increase in pensions in payment	3.10%	3.00%	3.00%
Discount rate	5.80%	5.25%	4.70%
Inflation assumptions	3.20%	3.00%	3.00%

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007

22 PENSIONS (continued)

Market value of assets and expected rates of return

	Expected rate of return 2007	Market value 2007 £'000	Expected rate of return 2006	Market value 2006 £'000	Expected rate of return 2005	Market value 2005 £'000
Equities	7.75%	5,450	7.75%	5,746	7.75%	5,795
Gilts	4.50%	984	4.50%	845	4.10%	961
Corporate Bonds	5.80%	2,299	5.25%	1,867	4.70%	1,494
Property	6.50%	1,035	6.50%	1,111	7.75%	929
Other	4.70%	178	4.70%	37	3.00%	383
		<u>9,946</u>		<u>9,606</u>		<u>9,562</u>

Reconciliation of pension scheme assets and liabilities

	2007 £'000	2006 £'000	2005 £'000
Market value of scheme's assets	9,946	9,606	9,562
Present value of scheme's liabilities	(10,383)	(9,966)	(11,591)
Gross pension liability	(437)	(360)	(2,029)
Less deferred tax at 28% (2006 and 2005 30%)	122	108	609
Net pension liability	<u>(315)</u>	<u>(252)</u>	<u>(1,420)</u>

The contribution rate for 2007 was 21% of pensionable earnings

Movement in scheme deficit during the year

	2007 £'000	2006 £'000	2005 £'000
Deficit in scheme at start of year	(360)	(2,029)	(2,167)
Actuarial gains/(losses)	(172)	1,511	282
Current service cost	(472)	(361)	(493)
Contributions	434	429	364
Other finance income/(costs)	133	90	(15)
Deficit in scheme at end of year	<u>(437)</u>	<u>(360)</u>	<u>(2,029)</u>

Analysis of amount charged to operating profit

	2007 £'000	2006 £'000	2005 £'000
Current service cost	472	361	493
Total operating charge	<u>472</u>	<u>361</u>	<u>493</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007

22. PENSIONS (continued)

Amounts included as other finance income / (expense)

	2007	2006	2005
	£'000	£'000	£'000
Expected return of scheme assets	663	607	524
Interest expense on scheme liabilities	(530)	(517)	(539)
Net finance income/(expense)	<u>133</u>	<u>90</u>	<u>(15)</u>

History of experience gains and losses

	2007	2006	2005
	£'000	£'000	£'000
Difference between expected and actual return on scheme assets			
Amount (£'000)	(554)	539	952
Percentage	6.0%	5.6%	10.0%
Experience losses arising on scheme liabilities			
Amount (£'000)	(563)	(32)	(28)
Percentage	5.0%	0.3%	0.2%
Total actuarial (losses)/gains (£'000)	(172)	1,511	282
Percentage of present value of scheme liabilities at year end	2.0%	(15.2%)	(2.4%)

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

	2007	2006	2005
	£'000	£'000	£'000
Actual return less expected return on pension scheme assets	(554)	539	952
Experience gains and losses arising on the scheme liabilities	(563)	(32)	(28)
Changes in financial assumptions underlying the schemes liabilities	945	1,004	(642)
Actuarial (loss)/gain recognised in STRGL	<u>(172)</u>	<u>1,511</u>	<u>282</u>

23. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007	2006
	£'000	£'000
Operating profit	3,514	3,377
Depreciation charges	422	337
Amortisation of goodwill	1,701	1,701
Adjustment for pension funding	38	(68)
Decrease/(increase) in stock	498	(832)
Increase in debtors	(808)	(608)
Increase in creditors	837	1,057
Net cash inflow from operating activities	<u>6,202</u>	<u>4,964</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2007

24. RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET DEBT

	2007 £'000	2006 £'000
Increase/(decrease) in cash in the year	1,367	(1,868)
Repayment of term loan	3,277	3,673
Changes in net debt resulting from cash flows	4,644	1,805
Amortisation of debt issue costs	(121)	(135)
Capitalisation of accrued interest charges	(1,216)	-
Reduction in net debt	3,307	1,670
Opening net debt	(32,206)	(33,876)
Closing net debt	(28,899)	(32,206)

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 January 2007 £'000	Cash flows £'000	Non cash flows £'000	At 31 December 2007 £'000
Cash at bank and in hand	1,568	1,367	-	2,935
Debt due within one year				
Term loan	(1,975)	2,096	(2,338)	(2,217)
Debt due after one year				
Term loan	(17,729)	1,181	2,265	(14,283)
Unsecured loan stock	(14,070)	-	(1,264)	(15,334)
	(33,774)	3,277	(1,337)	(31,834)
	(32,206)	4,644	(1,337)	(28,899)

26. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption included in Financial Reporting Standard No 8 "Related Party Disclosures" for wholly owned subsidiaries not to disclose transactions with entities that are part of the Antler Holdings Limited group of companies

27. ULTIMATE CONTROLLING PARTY

The directors of Antler Holdings Limited regard Barclays Private Equity as the ultimate controlling party of the Group