

Huit Holdings (UK) Limited

**Directors' report and financial
statements**

Registered number 05785822

30 June 2011



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Company information

Directors

R Hershan
S M Llewellyn

Secretary and registered office

C McQuoid
PO Box 54
Haydn Road
Nottingham
NG5 1DH

Auditors

KPMG LLP
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Bankers

Lloyds TSB Bank plc
PO Box 72
Bailey Drive
Gillingham
Kent
ME8 0LS

Directors' report

The directors present their directors' report and financial statements for the year ended 30 June 2011

Principal activities

The principal activity of the Company is that of a holding company which manages its subsidiaries

Review of the business

During the year ended 30 June 2011 the Company has incurred a loss of £35,000 (2010 £31,000) as detailed in the attached profit and loss account

Financial instruments

The management of the business and the execution of the Company's strategy are subject to a number of risks. The Company's exposure to financial risk is limited to exposure on related party loans. The risk of foreign exchange exposure and other financial risks are insignificant, and as such no further derivative instruments are used.

Dividends

The directors do not recommend the payment of an ordinary dividend (2010 £nil)

Directors

The directors who served during the period are shown on page 1

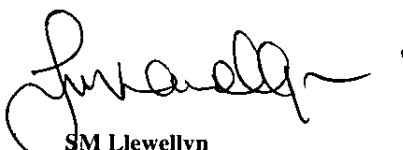
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



SM Llewellyn
Director

23 March 2012

Statement of directors' responsibilities in respect of the directors' report and the financial statements

- The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Huit Holdings (UK) Limited

We have audited the financial statements of Huit Holdings (UK) Limited for the year ended 30 June 2011 set out on pages 5 to 13. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Philip Charles (*Senior Statutory Auditor*)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham NG1 6FQ

23 March 2012

Profit and loss account
for the year ended 30 June 2011

	<i>Note</i>	2011 £000	2010 £000
Administrative expenses		(17)	(13)
Other operating income		2	2
		<hr/>	<hr/>
Operating loss		(15)	(11)
Net interest payable	4	(20)	(20)
		<hr/>	<hr/>
Loss on ordinary activities before tax	2	(35)	(31)
Taxation	5	-	-
		<hr/>	<hr/>
Loss for the year	11	(35)	(31)
		<hr/>	<hr/>

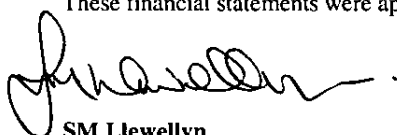
In both the current and preceding year, the company made no material acquisitions and had no discontinued operations

There were no recognised gains or losses in either the current or preceding year other than those disclosed in the profit and loss account, and therefore no separate statement of total recognised gains and losses has been presented

Balance sheet
as at 30 June 2011

	<i>Note</i>	£000	2011 £000	£000	2010 £000
Fixed assets					
Investments	6		-		-
Current assets					
Debtors	7	322		322	
Cash at bank and in hand		76		79	
		398		401	
Creditors amounts falling due within one year	8	(440)		(408)	
Net current liabilities			(42)		(7)
Total assets less current liabilities			(42)		(7)
Creditors amounts falling due after more than one year	9		(19,334)		(19,334)
Net liabilities			(19,376)		(19,341)
Capital and reserves					
Called up share capital	10		532		532
Profit and loss account	11		(19,908)		(19,873)
Total equity			(19,376)		(19,341)

These financial statements were approved by the board of directors on 23 March 2012 and signed on its behalf by


SM Llewellyn
Director

Company number 05785822

Reconciliation of movement in shareholders' deficit
for the year ended 30 June 2011

	2011 £000	2010 £000
Loss for the year	(35)	(31)
Net movement in shareholders' deficit	(35)	(31)
Opening shareholders' deficit	(19,341)	(19,310)
Closing shareholders' deficit	(19,376)	(19,341)

Notes

(forming part of the financial statements)

1 Accounting policies

Hut Holdings (UK) Limited (the "Company") is a company incorporated in the UK

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation

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

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Cash flow statement

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Going concern

These financial statements have been prepared on a going concern basis. The Company is a member of a group with significant inter-group balances, the other group companies have agreed to continue to support the Company by not requesting repayment of the outstanding balances for the foreseeable future.

Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange rate ruling at the balance sheet date and the gains and losses on translation are included in the profit and loss account.

Taxation

The charge for taxation is based on the loss for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Investments held as fixed assets

Investments in subsidiary undertakings are shown at cost less any provision for impairment in value.

Classification of financial instruments issued by the Company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Notes (continued)

1 Accounting policies (continued)

Classification of financial instruments issued by the Company (continued)

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Cash and liquid resources

Cash comprises cash in hand and deposits repayable on demand, less overdrafts payable on demand.

At the balance sheet date the Company did not hold any liquid resources.

2 Loss on ordinary activities before taxation

The audit fee of £10,000 for the years ended 30 June 2011 and 2010 has been borne by a related company.

3 Directors' remuneration

None of the directors received any emoluments or accrued retirement benefits under defined contribution or defined benefit pension schemes in respect of their services to the company (2010 £nil).

4 Net interest payable

	2011 £000	2010 £000
<i>Interest payable</i>		
Interest payable to group undertakings	20	20
	<hr/>	<hr/>
Net interest payable	20	20
	<hr/>	<hr/>

Notes (continued)

5 Taxation

Analysis of charge in the year

	2011 £000	2010 £000
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
	<hr/>	<hr/>
Total current tax	-	-
	<hr/>	<hr/>

Factors affecting the tax charge for the current year

The current tax for the year is different to the standard rate of corporation tax in the UK of 27.5% (2010: 28%). The differences are explained below

	2011 £000	2010 £000
<i>Current tax reconciliation</i>		
Loss on ordinary activities before taxation	(35)	(31)
	<hr/>	<hr/>
Current tax at 27.5% (2010: 28%)	(10)	(9)
	<hr/>	<hr/>
<i>Effects of</i>		
Non-deductible expenses	10	9
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

A deferred tax asset in respect of the tax losses has not been recognised in the year due to the uncertainty over their future recoverability

6 Fixed asset investments

	Shares in group undertakings £000
<i>Cost</i>	
At 1 July 2010 and 30 June 2011	8,167
	<hr/>
<i>Provision</i>	
At 1 July 2010 and 30 June 2011	(8,167)
	<hr/>
<i>Net book value</i>	
At 30 June 2011	-
	<hr/>
At 30 June 2010	-
	<hr/>

Notes (continued)

6 Fixed asset investments (continued)

The principal companies in which the Company has a 100% interest at the period end is as follows

Subsidiary undertakings	Principal activity	Country of incorporation
Courtaulds Clothing Brands Limited	Non trading	England
Claremont Garments (Holdings) Limited	Dormant	England
Claremont Garments (Midlands) Limited	Dormant	England
Claremont Garments (South) Limited	Dormant	England
Courtaulds Limited	Dormant	England
Pretty Polly Limited	Dormant	England
Kadima (UK) Limited	Dormant	England
Laces & Textiles Limited	Dormant	England
The Long Eaton Fabric Company Limited	Dormant	England
Meridian Limited	Dormant	England
Courtaulds Home Furnishings Limited	Dormant	England

7 Debtors

	2011 £000	2010 £000
Amounts owed by group undertakings	321	321
Other debtors	1	1
	<u>322</u>	<u>322</u>

8 Creditors: amounts falling due within one year

	2011 £000	2010 £000
Amounts owed to group undertakings	321	321
Other creditors	85	65
Accruals and deferred income	34	22
	<u>440</u>	<u>408</u>

Included in amounts owed to group undertakings is a loan of £321,000 (2010 £321,000) owed to the Company's parent. Interest of 6.25% is payable on the loan which is unsecured and repayable on demand.

9 Creditors: amounts falling due after more than one year

	2011 £000	2010 £000
Amounts owed to group undertakings	<u>19,334</u>	<u>19,334</u>

Notes (continued)

10 Called up share capital

	2011 £000	2010 £000
<i>Allotted, called up and fully paid</i> 532,307 ordinary shares of £1 each	532	532
	<u>532</u>	<u>532</u>
Shares classified in shareholders' funds	532	532
	<u>532</u>	<u>532</u>

11 Reserves

	Profit and loss account £000
Balance at 1 July 2010	(19,873)
Loss for the year	(35)
	<u>(19,908)</u>
Balance at 30 June 2011	(19,908)

12 Related party transactions

(a) The following debtors were due from related parties at the balance sheet date

	2011 £000	2010 £000
<i>Parent</i> Hut Holdings Limited	321	321
	<u>321</u>	<u>321</u>

At 30 June 2011 debtors of £8,535,000 (2010 £8,535,000) were also due to the company from related parties but fully provided against

(b) The following creditors were due to related parties at the balance sheet date

	2011 £000	2010 £000
<i>Parent</i> Hut Holdings Limited	321	321
<i>Subsidiaries</i> Courtaulds Clothing Brands Limited	7,627	7,627
Courtaulds Home Furnishings Limited	3,828	3,828
Laces & Textiles Limited	1,978	1,978
The Long Eaton Fabric Company Limited	5,900	5,900
	<u>19,654</u>	<u>19,654</u>

The amount owed to the parent relates to a loan of £321,000 on which interest of 6.25% is payable, the loan is unsecured and repayable on demand

Notes *(continued)*

13 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is a subsidiary undertaking of Huit Holdings Limited which is the ultimate parent company incorporated in Hong Kong

No other group financial statements include the results of the Company