

ACTIONWEAR (SCOTLAND) LIMITED

ABBREVIATED ACCOUNTS  
For the year ended 30th September 1996  
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COMPANY NUMBER : SC126537

DIRECTORS  
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JR Robertson  
Mrs J Robertson

SECRETARY  
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Mrs J Robertson

AUDITORS  
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Turnbull Kemp & Co CA  
66 Tay Street  
Perth PH2 8RA

BANKERS  
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The Royal Bank of Scotland plc  
Perth Chief Office  
12 Dunkeld Road  
Perth PH1 5RB

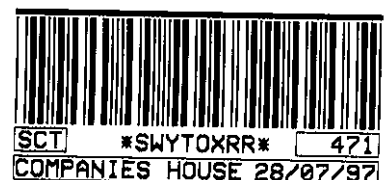
SOLICITORS  
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Campbell Brooke & Myles  
72 Tay Street  
Perth PH1 5LE

REGISTERED OFFICE  
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Arran House  
Arran Road  
Perth PH1 3DZ

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AUDITORS' REPORT TO ACTIONWEAR (SCOTLAND) LIMITED  
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

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We have examined the abbreviated accounts on pages 3 to 5 together with the annual accounts of Actionwear (Scotland) Limited prepared under section 226 of the Companies Act 1985 for the year ended 30th September 1996.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to prepare abbreviated accounts and whether they have been properly prepared in accordance with that schedule.

**Basis of Opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the audited accounts, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those accounts. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full accounts.

**Opinion**

In our opinion the directors are entitled under Section 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 30th September 1996 and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with Schedule 8 to that Act.

**Other information**

As auditors of the company, we reported to the members on 25th July 1997 on the annual accounts prepared under section 226 of the Companies Act 1985 and taking advantage of the provisions of the Companies Act applicable to small companies for the year ended 30th September 1996, and our audit report was as follows:

"We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 1, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 accounts.

AUDITORS' REPORT TO ACTIONWEAR (SCOTLAND) LIMITED continued


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**Fundamental Uncertainty**

In forming our opinion we have considered the adequacy of the disclosures made in the accounts concerning the support of Actionwear (Scotland) Limited's holding company. The accounts have been prepared on a going concern basis, the validity of which depends upon continued support from the holding company. The accounts do not include any adjustments that would result if this support should not be available. Details of the circumstances relating to this fundamental uncertainty are described in note 14 to the accounts. Our opinion is not qualified in this respect.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th September 1996 and of its loss for the year then ended and have been properly prepared in accordance with the requirements of the Companies Act 1985 applicable to small companies."

  
TURNBULL KEMP & CO  
Chartered Accountants  
& Registered Auditors

66 Tay Street  
PERTH PH2 8RA

25th July 1997



## ACTIONWEAR (SCOTLAND) LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
For the Year ended 30th September 1996  
-----1 ACCOUNTING POLICIES  
-----a) Accounting Convention  
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The accounts are prepared under the historical cost convention. The company qualifies as a small company under the Companies Act 1985. The directors have taken advantage of the exemption under FRS 1 not to prepare a cash flow statement.

b) Depreciation  
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Depreciation is provided on tangible fixed assets at rates calculated to write down the value of these assets over their estimated useful lives to leave their estimated residual values. In particular the rates employed are:

Property Improvements	4% straight line
Fixtures Fittings & Equipment	15% reducing balance

c) Stocks  
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Stocks are valued at the lower of cost and net realisable value.

d) Taxation  
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The charge for taxation is based on the profit for the year, and takes into account taxation deferred because of short term timing differences between the treatment of certain items for taxation and accounting purposes. No provision is necessary for deferred taxation as at 30th September 1996 as the taxation written down values of fixed assets exceeds their accounting book values.

e) Pensions  
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The company operates a defined contribution pension scheme for its directors and certain of its senior employees. The cost of the contributions made by the company to the scheme are charged to the profit and loss account as incurred.

## ACTIONWEAR (SCOTLAND) LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS continued

## 2 TANGIBLE ASSETS

Tangible assets are stated in the balance sheet at cost less depreciation.

The book value of tangible assets is arrived at as follows:

COST	
At 30th September 1995	£ 99,897
Additions	5,242
	-----
At 30th September 1996	£105,139
	=====
DEPRECIATION	
At 30th September 1995	£ 35,703
Charge for year	4,788
	-----
At 30th September 1996	£ 40,491
	=====
BOOK VALUES	
At 30th September 1996	£ 64,648
	=====
At 30th September 1995	£ 64,194
	=====

## 3 SHARE CAPITAL

	1996	1995
	-----	-----
Authorised:		
500,000 ordinary shares of £1 each	500,000	500,000
	=====	=====
Allotted Called Up & Fully Paid:		
2 ordinary shares of £1 each	2	2
	=====	=====

## 4 AMOUNT DUE TO HOLDING COMPANY

Actionwear (Scotland) Limited is a wholly owned subsidiary of Autow Centres Limited. The holding company has advanced funds totalling £ 285,286 to Actionwear (Scotland) Limited up to 30th September 1996 and it is anticipated that the holding company will continue to support the company until at least 30th September 1997.

The accounts have been prepared on a going concern basis, the validity of which depends upon continued support from the holding company. Should this support not be available, adjustments would have to be made to restate the value of assets at their recoverable amount, to provide for further liabilities which might arise and to reclassify fixed assets as current assets.

## 5 ULTIMATE PARENT

The company is a wholly owned subsidiary of Autow Centres Limited, a company incorporated in Scotland and having its registered office at Arran Road, Perth.