

Company Registration No. 00747514

Wolford London Limited

Report and Financial Statements

30 April 2009



Wolford London Limited

Report and financial statements 2009

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Wolford London Limited

Report and financial statements 2009

Officers and professional advisers

Directors

Mrs C Bordoni
Mr P Lorraine

Secretary

Mrs C Bordoni

Registered Office

Duke Street House
50 Duke Street
London
W1K 6JL

Bankers

HSBC
25 Wigmore Street
London
W1H 0DP

Solicitors

Harbottle & Lewis
Hanover House
14 Hanover Square
London
W1S 1HP

Auditors

Deloitte LLP
Chartered Accountants
London

Wolford London Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 April 2009.

This directors' report has been prepared in accordance with the special provisions relating to small companies under s246 (4) Companies Act 1985.

Principal activities and review of the business

The principal activity of the company is the wholesale distribution of hosiery, bodywear and ladies fashion. All the company's products are purchased from its parent, Wolford AG.

In line with previous years, the directors recognise that the core business remains with their wholesale customers at present. The intention going forward is to expand the retail operation and to open more Wolford Boutiques.

A Wolford Boutique was opened in Westfield in October 2008.

Given the performance of the wholesale business during the year, the directors anticipate that the company will remain profitable and continue to expand in 2009/10.

Results and dividends

The company profit for the year after taxation was £482,698 (2008: £568,800).

A dividend of £ 400,000 was paid during the year in respect of the year ended 30 April 2009 (2008: £ 680,000).

Directors

The directors who served the company throughout the year, except as noted, were as follows:

Mrs C Bordonì
Mr P Lorraine

Financial instruments

The company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. Due to the nature of the company's business and the assets and liabilities contained within the company's balance sheet the only financial risks the directors consider relevant are credit risk and liquidity risk. These risks are mitigated by the nature of the debtor balances owed and the exposure of the company to these risks is not considered to be material.

Going concern

The company has considerable financial resources with which to support itself. Consequently, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Wolford London Limited

Directors' report

Disclosure of information to auditors

Each of the persons who is a director 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 he/she ought to have taken as a director in order to make himself/herself 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 s418 of the Companies Act 2006.

Auditors

Effective resolutions to dispense with holding annual general meetings, the laying of financial statements before the company in general meeting and the appointment of auditors annually are currently in force. The auditors, Deloitte LLP, will therefore be deemed to have been reappointed at the end of the period of 28 days, beginning the day on which copies of this report and financial statements are sent to members unless a resolution is passed under sections 485 - 488 of the Companies Act 2006 to the effect that their appointment be brought to an end.

Approved by the Board of Directors
and signed on behalf of the Board



Mrs C Bordon
Secretary

26 January 2010

Wolford London Limited

Directors' responsibilities statement

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). 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 accounting 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 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 Wolford London Limited

We have audited the financial statements of Wolford London Limited for the year ended 30 April 2009 which comprise the profit and loss account, the balance sheet, the statement of total recognised gains and losses and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 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 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

As explained more fully in the Directors' Responsibilities Statement, 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 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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

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 April 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the Companies Act 2006.

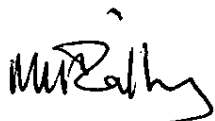
Opinion on other matter prescribed by the Companies Act 2006

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.



Mary Reilly (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom
26 January 2010

Wolford London Limited

Profit and loss account Year ended 30 April 2009

	Notes	2009 £	2008 £
Turnover	2	9,369,426	8,463,119
Cost of sales		(5,325,746)	(4,826,879)
Gross profit		4,043,680	3,636,240
Administrative expenses		(3,437,217)	(2,869,870)
Other operating income		50,784	48,556
Operating profit	3	657,247	814,926
Interest receivable and similar income	6	6,646	11,872
Profit on ordinary activities before taxation		663,893	826,798
Tax on profit on ordinary activities	7	(182,115)	(257,998)
Profit for the financial year	13	481,778	568,800

All amounts relate to continuing activities.

The notes on pages 9 to 16 form an integral part of these financial statements.

Wolford London Limited

Balance sheet 30 April 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	8	<u>646,980</u>	<u>350,576</u>
Current assets			
Stocks	9	530,445	315,797
Debtors	10	920,937	1,027,247
Cash at bank and in hand		<u>341,992</u>	<u>422,332</u>
		1,793,374	1,765,376
Creditors: amounts falling due within one year	11	<u>(1,650,785)</u>	<u>(1,396,781)</u>
Net current assets		<u>142,589</u>	<u>368,595</u>
Net assets		<u>789,569</u>	<u>719,171</u>
Capital and reserves			
Called up share capital	12	100,000	100,000
Profit and loss account	13	<u>689,569</u>	<u>619,171</u>
Shareholders' funds		<u>789,569</u>	<u>719,171</u>

These financial statements of Wolford London Limited (company number 00747514) were approved by the Board of Directors on 26 January 2010.

Signed on behalf of the Board of Directors



Mrs C Bordonni

Director

The notes on pages 9 to 16 form an integral part of these financial statements.

Wolford London Limited

Statement of total recognised gains and losses Year ended 30 April 2009

	2009	2008
	£	£
Profit for the year	481,778	568,800
Currency translation difference on foreign currency net investments	(11,380)	-
Total recognised gains and losses relating to the year	<u>470,398</u>	<u>568,800</u>

Reconciliation of movements in shareholders' funds Year ended 30 April 2009

	2009	2008
	£	£
Shareholders' funds at beginning of year	719,171	830,371
Retained profit for the year	481,778	568,800
Dividends paid in the period	(400,000)	(680,000)
Other recognised gains and losses relating to the year (net)	(11,380)	-
Closing shareholders' funds	<u>789,569</u>	<u>719,171</u>

Wolford London Limited

Notes to the accounts Year ended 30 April 2009

1. Accounting policies

A summary of the principal accounting policies of the company, all of which have been applied consistently throughout the year and the preceding year, is 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.

Basis of preparation

The current economic conditions create uncertainty over the demand for the company's products. However, the company is not reliant on external financing and as at 30 April 2009 the Company has cash of £341,992, net current assets of £143,509 and net assets of £790,489. Taking this into consideration and from reviewing the company's forecasts these financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future.

Going concern

The company has considerable financial resources with which to support itself. Consequently, the directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No. 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes consolidated financial statements.

Fixed assets

All fixed assets are initially recorded at cost, net of depreciation and any provision for impairment.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value of each asset on a straight line basis over its expected useful life, as follows:

Leasehold improvements	- over 5 years
Office machinery	- over 3 years
Fixtures and fittings	- over 5 years
Computer equipment	- over 3-5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks, which are wholly comprised of finished goods, are stated at the lower of cost and net realisable value.

Wolford London Limited

Notes to the accounts Year ended 30 April 2009

1. Accounting policies (continued)

Taxation

Current UK corporation tax is provided at amounts expected to be paid or recovered using 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 company'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 measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Other income

Other income represents contributions from department store customers towards the salary costs of sales consultants as an incentive to meet sales targets.

Operating lease agreements

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Pension costs

The company contributes to an independent personal defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the independent scheme.

Wolford London Limited

Notes to the accounts Year ended 30 April 2009

2. Turnover

Turnover represents the invoiced value, excluding value added tax and trade discounts of goods and services provided to customers.

All turnover originated in the UK from one continuing business activity, being the retail and wholesale distribution of hosiery, bodywear and ladies fashion.

An analysis of turnover by geographical market is given below:

	2009 £	2008 £
United Kingdom	8,233,461	7,456,346
Eire	1,135,965	1,006,773
	<u>9,369,426</u>	<u>8,463,119</u>

3. Operating profit

	2009 £	2008 £
This is stated after charging:		
Fees payable to the company's auditors for the audit of the company's annual accounts	18,000	15,750
Tax services	7,500	7,500
Depreciation of owned fixed assets	133,350	76,241
Foreign exchange loss	181,174	3,971
Operating lease rentals - other	544,100	364,407
- plant and machinery	23,777	13,804
	<u></u>	<u></u>

4. Staff costs

	2009 £	2008 £
Wages and salaries	1,015,678	950,658
Social security costs	99,745	79,011
Other pension costs	14,258	13,493
	<u>1,129,681</u>	<u>1,043,162</u>

The monthly average number of employees including directors during the year was as follows:

	2009 No.	2008 No.
Sales	38	27
Administrative	7	7
	<u>45</u>	<u>34</u>

Wolford London Limited

Notes to the accounts Year ended 30 April 2009

5. Directors' emoluments

	2009 £	2008 £
Emoluments	125,916	51,750
Value of company pension contributions to money purchase schemes	6,600	3,600
	No.	No.
Members of money purchase pension schemes	2	1

The company operates a defined contribution scheme for which pension cost charges for the directors for the year amounted to £6,600 (2008: £3,600).

6. Interest receivable and similar income

	2009 £	2008 £
Bank interest receivable	6,646	11,872

7. Tax on profit on ordinary activities

(a) The tax charge comprises:

	2009 £	2008 £
<i>Current tax:</i>		
UK corporation tax	182,544	263,851
Adjustment in respect of prior years	(16,583)	(6,543)
Total current tax (see note 7(b))	165,961	257,308
<i>Deferred tax:</i>		
Origination and reversal of timing differences	13,212	3,629
Adjustment in respect of prior years	2,942	(2,939)
Total deferred tax (see note 7(c))	16,154	690
Total charge on profit on ordinary activities	182,115	257,998

Wolford London Limited

Notes to the accounts Year ended 30 April 2009

7. Tax on profit on ordinary activities (continued)

(b) Factors affecting current tax charge

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2009 £	2008 £
Profit on ordinary activities before taxation	663,893	826,798
Profit on ordinary activities at standard rate of tax in the UK	185,890	246,661
<i>Effects of:</i>		
Permanent differences	9,866	19,103
Fixed asset timing differences	(13,212)	(4,660)
Other timing differences	-	2,747
Adjustments in respect of previous periods	(16,583)	(6,543)
Total current tax (note 7(a))	165,961	257,308

(c) Deferred tax

The deferred tax asset recognised in the financial statements and included in creditors (note 11) is as follows:

	2009 £	2008 £
Accelerated capital allowances	5,616	(5,669)
Other timing differences	1,394	(3,151)
Undiscounted deferred tax liability/(asset) (note 10)	7,334	(8,820)
As at start of the year	(8,820)	(9,510)
Deferred tax debit/(credit) in profit and loss account for the year (note 7(a))	16,154	690
As at end of the year	7,334	(8,820)

Wolford London Limited

Notes to the accounts Year ended 30 April 2009

8. Tangible fixed assets

	Leasehold improvements £	Office machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 May 2008	111,185	39,057	420,106	32,015	602,363
Additions	55,445	3,573	348,506	9,048	416,572
Exchange adjustment	12,099	165	1,710	-	13,974
At 30 April 2009	178,729	42,795	770,322	41,063	1,032,909
Depreciation					
At 1 May 2008	7,975	27,483	192,302	24,027	251,787
Provided during the year	14,237	795	112,850	5,468	133,350
Exchange adjustment	605	16	171	-	792
At 30 April 2009	22,817	28,294	305,323	29,495	385,929
Net book value					
At 30 April 2009	155,912	14,501	464,999	11,568	646,980
At 30 April 2008	103,210	11,574	227,804	7,988	350,576

9. Stocks

	2009 £	2008 £
Finished goods	530,445	315,797

There is no material difference between the balance sheet value of stock and their replacement cost.

10. Debtors

	2009 £	2008 £
Trade debtors	645,864	802,177
Other debtors	145,695	123,361
Prepayments and accrued income	129,378	92,889
Deferred taxation (note 7(c))	-	8,820
	920,937	1,027,247

Wolford London Limited

Notes to the accounts Year ended 30 April 2009

11. Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	122,614	141,743
Amount owed to parent undertaking	1,021,400	753,163
Corporation tax	34,061	148,143
Other taxation and social security	177,846	226,303
Accruals and deferred income	287,530	127,429
Deferred taxation (note 7(c))	7,334	-
	<u>1,650,425</u>	<u>1,396,781</u>

12. Called up share capital

	2009 £	2008 £
Authorised:		
200,000 ordinary shares of 50p each	<u>100,000</u>	<u>100,000</u>
Called up, allotted and fully paid:		
200,000 ordinary shares of 50p each	<u>100,000</u>	<u>100,000</u>

13. Profit and loss account

	Profit and loss account £
As at 1 May 2008	619,171
Profit for the financial year	481,778
Dividends paid on equity shares	(400,000)
Currency translation difference on foreign currency net investment	(11,380)
As at 30 April 2009	<u>689,569</u>

Wolford London Limited

Notes to the accounts Year ended 30 April 2009

14. Commitments under operating leases

At 30 April 2009 the company had annual commitments under non-cancellable operating leases as set out below:

	2009		2008	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
- within one year	-	2,800	-	1,296
- between two and five years	57,490	20,977	115,000	12,459
- After five years	486,610	-	249,407	-

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

15. Related party transactions

The company has taken advantage of the exemption available to wholly owned subsidiaries under FRS 8 "Related Party Disclosures" not to disclose transactions with companies in the Wolford AG Group or investees of the Wolford AG Group that qualify as related parties.

16. Ultimate parent undertaking

The company is a wholly owned subsidiary of Wolford AG, a company incorporated in Austria and listed on the Vienna stock exchange. The directors regard Wolford AG as the ultimate parent company and controlling party.

Wolford AG is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up.

Copies of the parent's consolidated financial statements may be obtained from Wolford AG, Wolfordstraße 1, A-6901 Bregenz, Austria.